Jeep line also was in jeopardy, Majerus says

UAW pact called savior of AMC-Renault link

By Marjorie Sorge
Labor Editor

The American Motors-UAW agreement saved the AMC-Renault marriage and the Jeep line, according to UAW Secretary-Treasurer Raymond Majerus, director of the union's AMC department.

And, Majerus said, it's a more lucrative contract for the workers than the new pacts at General Motors and Ford.

That contract provides an employe investment plan worth between $110 million and $115 million earmarked for AMC's $900 million new product program. But, Majerus said, without the agreement AMC's major investor, Renault, would not have put any additional capital into the company and would have become "just a stockholder" telling AMC to "make its best deal somewhere else."

Renault owns 46.4 percent of AMC and has invested about $350 million in the company to jointly produce vehicles. The first of those cars, the Alliance, will go on sale in September.

"That's the impact of this whole contract," Majerus said. "Renault got the confidence (in the workers) it wanted. They made an investment and it was in jeopardy. Now it has been saved and their product will go on the market. Once the car is on the market, the emphasis is not on the workers or on the plant. It is on how well the vehicles are designed and engineered and how well they are built. That's up to them (AMC-Renault)."

While the AMC-Renault marriage is no longer on the rocks, some analysts feel that Renault will continue the present relationship for only two or three years. They say once the dealer network is in place and the Renault-designed cars are in production, Renault will exercise its option to buy up to 59 percent of AMC's outstanding stock, thereby taking over the company.

• The new AMC-UAW agreement does give AMC working capital for most of the contract's lifetime. The contract is rear-ended so workers get a big jump in pay toward the end of the pact. It is estimated that when the agreement ends in 1985, AMC workers will be making more an hour than those at Ford and GM.

Even so, getting the contract ratified was no easy job. While workers at the Kenosha and Milwaukee plants ratified the pact in the first vote, those in the Toledo Jeep plant rejected it and a second vote there was required. The contract required ratification from all three locals.

Majerus said workers in Toledo came to realize that their jobs were in jeopardy even though the Jeep operation had been supporting AMC for quite awhile. Without the Renault capital, the new Jeep XJ, a downsized version of the current CJ model, was in danger of cancellation as were other future products.

"You can't market only one line and sell only one line, so Jeep has to be compatible with the cars built in Kenosha," he said. "They build parts for Jeep in Kenosha." In other words, Jeep couldn't make it on its own.

When the ratification first

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Cooling off hot cars

Convertible Concepts, Ltd., Blaine, Wash., says it turns a Firebird (foreground) or Camaro into a Spyder Convertible for $6,500 in three to five days at its four U. S. facilities. Designed by Richard Straman, Costa Mesa, Calif., the conversion provides access to the trunk through the rear seat and a small trunk lid. Production is expected to run about 500 this model year.

Tenn. firm gets Nissan computer pact

By Roger Rowand
Engineering Editor

An Oak Ridge (Tenn.) firm has been picked to design and install a computerized production control and monitoring system for the $500 million Nissan pickup truck plant being built in Smyrna, Tenn.

The system, known as NEMAC (Nissan Energy Management, Maintenance / Monitoring and Communications/Control), will be used for energy management, control and monitoring of manufacturing processes, fire alarm, maintenance monitoring, maintenance dispatching and preventive maintenance, Nissan said.

ORFMA, the computer supplier, will use a distributed computer network called OPTONET, a product of Phoenix Digital Corp. The OPTONET network will transmit signals by fiber optics cable to robots, programmable controllers, computers and other equipment at the Nissan operation.

"When Nissan selected Tennessee as the site for its first U. S. manufacturing venture, the company made a commitment to hire Tennessee residents as employes and to do business with Tennessee companies whenever possible," said Marvin T. Runyon, president, Nissan Motor Mfg. Corp.

The computer company is named Facility and Manufacturing Automation, Inc., but is called ORFMA. Incorporated this year, it is a spin-off of Foster-Miller & Associates, of Massachusetts. The firm's nickname, ORFMA, is a federalese acronym for Oak Ridge Foster & Miller Associates.

It is owned chiefly by an Oak Ridge - based high - technology conglomerate, The Nucleus. That company's activities are concentrated in government classified programs and in designing and making controls for the petrochemical industry.

Oak Ridge is the site of a highly advanced manufacturing complex.

Product line in Mexico under consideration, UAW official says

AMC, Renault look south of border

By Marjorie Sorge
Labor Editor

American Motors and Renault are eying the Mexican market for future products, according to Raymond Majerus, UAW secretary-treasurer and director of the union's AMC department.

Majerus told AUTOMOTIVE NEWS, the makers would be interested in expanding beyond AMC's three assembly plants—Toledo; Kenosha, Wis., and Brampton, Ont.

Renault already has an engine plant in Mexico. That would qualify the pair to sell cars in Mexico.

It is also possible that Renault could make another agreement with a U. S. company and expand its operations in the U. S., he said.

The Canadian market already is open to Renault because of its joint venture with AMC. Under the Auto Pact, Renault can ship cars to Canada — built either in France or in the U. S. — tariff-free because AMC builds cars in Canada.

Workers at Brampton, however, refused to go along with the new U. S. UAW-AMC contract which provides an employe investment program. Under the contract, AMC pledged to put all new product programs into existing facilities at Kenosha, Milwaukee and Toledo.

Brampton is working double shifts to build the AMC Concord, Eagle and Spirit and is producing large fleet orders for those cars. Workers don't negotiate a new agreement until 1983.

It is unlikely that AMC will close the Canadian plant, since companies must build in Canada to sell there tariff-free.

"The Canadian market is a very lucrative, desirable market, and in order to protect that market for Renault and also for AMC, we've got to build cars up there," Majerus said.

That same problem will exist in Mexico if Renault and AMC begin selling cars there.

To accompany worldwide markets and the world-car concept, the UAW has planned a world union. Is it possible it is thinking about a North American union, which includes not only Canada, but Mexico?

"Victor Reuther spent a great deal of time in Mexico when he was on our payroll," Majerus said. But International Metalworkers Federation (IMF) and World Auto Council are very involved in Mexico, and there is a Mexican union. There has been no discussion about the UAW working in Mexico like we do in Canada — but that's not outside the realm of possibility. It certainly is something that needs to be thought about.

"If we ever get back to a 10-million-car sales year . . ."

Four firms are foreign, highly visible and losing money

Argentine makers feel heat of Falklands war

By Megan O'Reilly
Crain News Service

BUENOS AIRES.—The Falklands crisis and ensuing nationalistic fever have placed Argentina's four auto makers, all foreign and losing money, in an uncomfortable and highly visible position. The four are Ford, Volkswagen, Renault and Sevel, which produces Fiat and Peugeot cars.

But once the fervor dies down and postwar reconstruction of Argentina's battered political and economic system gets under way, auto makers are optimistic that the market will be reactivated, pulling them out of the worst sales slump in 12 years.

While auto executives are reluctant to say that the war did the country some good, they admit that a return to protectionism is likely after a disastrous six-year experiment with open-market policies.

They say import restrictions and lower interest rates would enable them to return to full production capacity, now averaging under 40 percent, and increase sales, down sharply from 1980, the industry's peak year when 281,793 cars were sold.

Ford, the market leader, was producing 9,000 cars a month last year. That figure is now split between all four auto makers.

Louis Melnik, director of public relations and advertising at Volkswagen, said the sag in sales was a symptom of a major shift in wealth which saw the middle class lose its purchasing power during the past six years of military rule, leaving only the rich to buy cars.

During the war, anti-foreign sentiment was running high. Ford became the victim of a bizarre campaign by the country's largest labor organization which issued a damaging statement that was widely reprinted in the nation's press.

It demanded that the government explain why "the Industry and Mining Secretariat authorized Ford Motor Argentina on May 5, 1982, to import from England 70 percent of car components for cars built here while Argentine workers are unemployed and our sons are dying on the Malvinas (Falklands)."

Ford was furious and canceled its advertising for one month in the papers which carried the story. A company spokesman dismissed the charges as a sham.

The 70 percent import figure angered Ford since Argentina's local - content requirements are 88 percent for cars, 82 percent for light trucks and 75 percent for medium and heavy trucks. In other words, imported content cannot exceed 12 percent, 18 percent and 25 percent, respectively.

Ford did make a routine request last October to import a small shipment of parts from England for Taunus cars built in Argentina, but a Ford spokesman in Detroit said English parts account for only 0.1 percent of the Argentine Taunus models.

A Ford of Argentina spokesman felt that the announcement of that request in the middle of the war "clearly was meant to hurt us and the government."

• In general, the companies tried to keep a low profile during the war, although "the employes" of Ford, Volkswagen, Renault and Sevel were all conspicuous contributors to the Malvinas Patriotic Fund, which helped finance the country's war effort.

The country's instability has always made company headquarters nervous. And just after the Argentine surrender in Port Stanley and the resulting political chaos, Fiat sold 60 percent of the local company to a group of Argentine businessmen, a

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57th year — No. 4923

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Total sags as incentive programs phase out

June new-car sales worst since '58

Continued from Page 1

from 58,454. AMC sales of 7,767 were down 20.14 percent from 9,726, and U. S.-built Rabbits from VWoA dropped 32.46 percent to 7,818 from 11,576.

GM earned 57.39 percent of the domestic market in June, down from 60.04 percent a year ago and GM's smallest monthly share to date this year.

Ford sales accounted for 26.79 percent, up from 24.56 percent in 1981. It was Ford's best month in terms of market share. Chrysler had 12.37 percent, up from 11.29 percent; AMC stood at 1.72 percent, down from 1.88 percent, and VWoA earned 1.73 percent, down from 2.23 percent.

Chrysler and Lincoln were the only U. S. makes to post sales gains in June. Chrysler sales almost tripled, climbing to 14,746 from 5,351, and Lincoln sales leaped 67.74 percent, to 6,874 from 4,098.

The June daily selling rate for domestics averaged 17,363, down 12.82 percent from 19,916 in 1981. There were 26 selling days both this year and last.

Third-period domestic sales were down 8.79 percent, to 158,420 from 173,684 a year ago. The late-June daily selling rate was 17,602 based on nine days, down 18.92 percent from 21,711 based on eight days in 1981.

All the major U. S. car builders were down for the first half of 1982, from Ford's 7.62-percent decline to VWoA's 45.29-percent plunge.

GM dealers retailed 1,799,035 units during the first six months of 1982, down 9.93 percent from 1,997,376 last year. Ford dropped 7.62 percent, to 693,697 from 750,951. Chrysler sales of 349,978 were 12.66 percent below 400,717 a year earlier. AMC dropped 38.75 percent, to 45,985 from 75,074, and VWoA tallied 46,129 sales through June 30, down 45.29 percent from 84,314.

GM earned 61.30 percent of the first-half domestic market, up from 60.37 percent in 1981.

Ford claimed 23.64 percent of the market, up from 22.70 percent. Chrysler slipped to 11.92 percent from 12.11 percent; AMC had 1.57 percent, down from 2.27 percent, and VWoA had 1.57 percent, down from 2.55 percent.

Three U. S. makes managed to better their first-half sales compared with 1981 levels. Chrysler was up 70.16 percent, to 82,239 from 48,329; Lincoln was up 31.92 percent, to 43,684 from 33,115, and Cadillac was up 6.43 percent, to 116,295 from 109,269.

The daily selling rate for the first half of 1982 was 19,182, down 11.29 percent from 21,624 a year ago. There were 153 selling days both years.

Second quarter domestic sales totaled 1,534,134, down 2.63 percent from 1,575,560 the preceding year.

• Imports are an anomaly. Import sales have been down every month this year as well as the last four months of 1981, yet they remain the largest segment of the U. S. market and a constant threat to the domestic companies. Imports claimed 30.61 percent of the June market and 27.28 perecnt of the six-month market.

Japanese-built cars accounted for 80.01 percent of June imports, up from 79.91 percent a year ago; Japanese products were 80.64 percent of the first-half import total, up from 79.72 percent in 1981.

Japanese products represented 24.51 percent of the total market in June, up from 22.71 percent the preceding year. They had 22.00 percent of the first-half total, down slightly from 22.16 percent in 1981.

In June, Datsun scored an 11.62-percent sales increase and missed Toyota's total by some 200 units (46,747 vs. 46,977); Toyota dropped 9.16 percent. Toyota, the top import was down 19.11 percent for the first half, while second-place Datsun was down 6.59 percent.

Honda was down 6.95 percent for the month and 7.44 percent for the first half. Mazda dropped 14.40 percent in June and 18.21 percent in the first half, and Subaru was down 4.03 percent for the month and 6.84 percent for the half.

Picking up the slack were several European car makers, including manufacturers of some of the most expensive cars on sale in the U. S. BMW reported its best month ever in June; its sales of 4,605 were up 16.11 percent from 3,966 last year. Jaguar had a record June and best first half; Saab boasted its best month ever; Volvo was up 13.54 percent for the month and 11.96 percent for the first half, and Porsche was up 58.60 percent in June, 20.13 percent so far this year.

The market class breakout in June was as follows: Imports, 30.61 percent; intermediates, 21.47 percent; compacts, 16.68 percent; subcompacts, 15.13 percent; standards, 11.19 percent and luxury models, 4.92 percent.

First-half market class segments were: imports, 27.28 percent; intermediates, 21.57 percent; compacts, 18.46 percent; subcompacts, 16.81 percent; standards, 10.56 percent, and luxuries, 5.32 percent.

Where auto market was in June

	Total Sales	Pct. of Total
SUBCOMPACT	98,450	15.13
COMPACT	108,534	16.68
INTERMEDIATE	139,659	21.47
STANDARD	72,797	11.19
LUXURY	31,990	4.92
IMPORT	199,093	30.61
TOTAL	650,523	100.00

IMPORTED CAR SALES

	June, 1982	June, 1981	6 mos., 1982	6 mos., 1981
Alfa Romeo	203	226	940	940
Audi	4,260	4,543	22,752	24,761
BMW	4,605	3,966	24,560	20,294
Challenger	1,349	843	7,518	6,504
Champ	2,518	2,296	16,473	22,126
Colt	2,711	2,272	17,834	22,472
Datsun	46,747	41,880	231,121	247,430
DeLorean	332	34	1,549	34
Fiat	1,334	3,086	9,533	18,425
Fiesta	.....	1,903	.....	28,406
Honda	30,507	32,786	189,620	204,871
Isuzu	1,118	2,154	6,522	7,460
Jaguar	904	402	4,473	2,016
Lancia	128	112	451	596
Mazda	14,048	16,412	76,394	93,407
Mercedes-Benz	5,421	5,919	31,969	32,694
MG	.....	505	.....	2,656
Peugeot	1,329	1,385	7,002	8,145
Porsche	1,402	884	6,971	5,803
Renault	4,624	2,084	20,137	16,875
Rover	.....	73	.....	421
Saab	1,759	1,053	8,845	7,357
Sapporo	1,050	893	5,792	6,871
Subaru	12,446	12,968	72,448	77,769
Toyota	46,977	51,714	264,235	326,677
Triumph	.....	1,369	.....	6,796
Volkswagen	5,529	6,897	32,238	44,772
Volvo	7,792	6,863	41,788	37,323
TOTAL	199,093	205,562	1,101,165	1,273,863

U. S. CAR SALES BY MARKETING UNITS

	June, 1982	June, 1981	6 mos., 1982	6 mos., 1981
Chevrolet	88,066	163,320	657,749	772,128
Ford	87,367	93,511	480,886	566,499
Oldsmobile	60,142	75,709	408,667	453,930
Buick	54,656	58,352	360,999	374,620
Toyota	46,977	51,714	264,235	326,677
Pontiac	38,725	45,136	255,325	287,429
Datsun	46,747	41,880	231,121	247,430
Plymouth	24,615	32,427	156,918	212,671
Honda	30,507	32,786	189,620	204,871
Dodge	23,942	26,569	156,741	194,665
Mercury	26,706	31,467	169,127	179,755
VW of America	19,009	23,898	108,090	159,598
Cadillac	17,467	18,369	116,295	109,269
AMC-Renault	12,391	11,810	66,122	91,949
Mazda	14,048	16,412	76,394	93,407
Subaru	12,446	12,968	72,448	77,769
Chrysler/Imperial	14,913	5,802	83,938	51,354
Volvo	7,792	6,863	41,788	37,323
Lincoln	6,874	4,098	43,684	33,115
Mercedes-Benz	5,421	5,919	31,969	32,694
BMW	4,605	3,966	24,560	20,294
Fiat	1,462	3,196	9,984	18,981
Jaguar-Rover-Triumph	904	2,349	4,473	11,889
Isuzu	1,118	2,154	6,522	7,460
Peugeot	1,329	1,385	7,002	8,145
Saab	1,759	1,053	8,845	7,357
DeLorean	332	34	1,549	34
Alfa Romeo	203	226	940	940
TOTAL	650,523	723,377	4,035,989	4,582,295

Ford sales include Fiesta; VWoA includes VW and Porsche-Audi; Plymouth includes Champ and Sapporo; Dodge includes Colt and Challenger; Fiat includes Lancia. Jaguar-Rover-Triumph includes MG.

Honda sales dip was overstated

Things aren't as bad at Honda as they appeared in the July 5 issue of Automotive News. Honda five-month sales were mistakenly reported to be down 20 percent; in fact, they were down 7.54 percent.

The same issue showed the number-three importer down 1.74 percentage points in its share of import registrations through April, 1982, compared with the first four months of 1981. In fact, Honda was up 1.74 percentage points, to 17.19 percent from 15.45 percent. Honda sales through June 30 totaled 189,620, down 7.44 percent from 204,871 last year.

DOMESTIC CAR SALES

	June 21 to June 30, 1982	Same Period, 1981	June, 1982	Same Month, 1981	Jan. 1 to June 30, 1982	Same Period, 1981
Spirit	.....	.....	1,736	2,103	10,866	20,144
Concord	.....	.....	2,842	4,952	15,786	31,018
Pacer	.....	.....	.....	.....	.....	111
Eagle	.....	.....	3,189	2,671	19,333	23,801
AMERICAN MOTORS*	2,200	4,400	7,767	9,726	45,985	75,074
Horizon	1,262	1,933	3,523	7,502	27,075	45,865
TC3	1,213	1,826	3,068	5,193	20,326	29,702
Reliant/Volare	4,200	5,260	12,197	15,797	75,830	101,119
Plymouth	937	271	2,259	706	11,422	6,988
Total Plymouth	7,612	9,290	21,047	29,198	134,653	183,674
LeBaron	.....	976	.....	2,996	912	25,535
LeBaron K	2,947	.....	7,822	.....	44,767	.....
Cordoba	455	668	1,206	1,821	7,889	15,053
New Yorker	2,140	.....	5,718	.....	28,671	.....
Chrysler	.....	171	.....	534	.....	7,741
Total Chrysler	5,542	1,815	14,746	5,351	82,239	48,329
Total Imperial	48	130	167	451	1,697	3,025
Omni	922	1,406	2,654	4,168	22,088	33,043
024	1,190	1,590	3,052	4,631	21,223	25,787
Aries/Aspen	2,780	4,108	8,541	11,292	56,616	77,112
Dodge 400	945	.....	2,350	.....	12,968	.....
Diplomat	1,233	631	2,708	1,838	14,466	16,200
Mirada/Magnum	214	425	577	1,152	4,028	8,832
Dodge	.....	165	.....	373	.....	4,715
Total Dodge	7,284	8,325	19,882	23,454	131,389	165,689
CHRYSLER CORP.	20,486	19,560	55,842	58,454	349,978	400,717
Pinto	.....	105	.....	348	.....	9,039
EXP	1,202	3,153	3,538	8,305	22,627	22,405
Escort	13,046	10,136	33,679	28,400	180,255	162,120
Mustang	3,465	4,416	10,431	13,627	61,854	91,391
Fairmont	3,827	6,190	11,857	15,814	69,496	101,479
Granada	3,809	2,719	10,379	8,040	60,497	53,137
Thunderbird	1,393	2,132	4,281	5,172	22,319	39,104
Ford	4,512	4,094	13,202	11,902	63,838	59,406
Ford Division	31,254	31,514	87,367	91,608	480,886	538,081
Bobcat	.....	24	.....	73	.....	2,069
LN7	303	1,233	1,026	2,855	8,043	6,822
Lynx	3,195	2,890	8,079	8,760	51,470	52,324
Zephyr	940	1,741	3,252	4,929	22,221	30,160
Cougar/Monarch	1,428	1,260	4,124	3,840	26,488	21,964
XR-7	409	728	1,413	2,133	8,146	14,960
Capri	610	1,557	2,004	4,442	15,513	26,879
Mercury	2,225	1,472	6,808	4,435	37,246	24,577
Total Mercury	9,110	32,945	26,706	31,467	169,127	179,755
Cont./Versailles	419	.....	1,393	.....	12,222	.....
Lincoln	916	610	3,261	1,994	17,899	15,933
Mark VI	586	686	2,220	2,104	13,563	17,182
Total Lincoln	1,921	1,296	6,874	4,098	43,684	33,115
L-M Division	11,031	12,201	33,580	35,565	212,811	212,870
FORD MOTOR	42,285	45,146	120,947	127,173	693,697	750,951
Skyhawk	1,008	.....	4,121	.....	18,616	.....
Skylark	2,185	4,670	8,840	15,111	80,090	106,701
Century FD	1,630	.....	6,824	.....	43,890	.....
Regal Sedan	1,792	3,595	6,833	11,851	41,449	73,759
Regal Coupe	3,269	5,120	11,312	16,301	73,197	106,052
LeSabre	2,656	2,195	8,727	6,616	52,504	38,698
Electra	1,263	1,463	4,647	4,389	28,658	26,478
Riviera	790	1,333	3,352	4,084	22,595	22,929
Buick Division	14,593	18,376	54,656	58,352	360,999	374,620
Cimarron	154	794	476	1,417	6,256	1,585
Seville	337	776	1,154	1,772	11,135	12,199
Cadillac	4,299	4,453	11,724	10,950	71,513	69,159
Eldorado	1,441	1,721	4,113	4,230	27,391	26,326
Cadillac Divison	6,231	7,744	17,467	18,369	116,295	109,269
Chevette	4,589	8,437	11,585	24,412	120,267	205,730
Cavalier/Monza	2,279	2,118	6,163	5,443	62,130	20,251
Citation/Nova	4,072	8,170	10,833	23,414	105,273	161,784
Camaro	6,394	3,469	15,808	9,777	96,481	58,757
Celebrity	2,771	.....	6,803	.....	42,461	.....
Malibu	4,222	6,628	9,692	18,910	60,846	122,182
Monte Carlo	2,906	4,277	7,205	11,894	53,233	85,195
Chevrolet	7,698	6,467	18,295	17,287	104,564	101,537
Corvette	692	678	1,682	2,183	12,494	16,692
Chevrolet Division	35,623	40,244	88,066	113,320	657,749	772,128
Firenza/Starfire	472	.....	2,060	.....	11,553	.....
Omega	1,051	1,936	4,324	9,151	40,729	58,781
Cutlass Ciera	1,894	.....	7,650	.....	52,054	.....
Cutlass	.....	3,413	.....	17,960	.....	111,775
Supreme	6,216	5,049	22,725	23,089	150,867	141,878
Olds 88	4,229	3,294	14,953	15,411	91,674	81,125
Olds 98	1,559	1,506	5,982	6,578	43,919	41,166
Toronado	695	779	2,448	3,500	17,871	19,205
Oldsmobile Division	16,116	15,977	60,142	75,709	408,667	453,930
T-1000	1,189	2,452	2,745	6,222	27,896	19,847
J-2000/Sunbird	1,507	2,398	3,603	5,441	28,116	33,314
Phoenix	1,315	1,965	3,312	5,818	28,249	47,179
Firebird	4,990	1,695	11,104	4,324	57,542	32,389
6000	1,584	.....	3,715	.....	21,987	.....
Bonneville/LeMans	2,962	2,007	6,784	5,908	40,359	39,971
Grand Prix	3,388	3,493	7,279	9,521	47,487	67,667
Pontiac	93	3,122	183	7,902	3,689	47,082
Pontiac Division	17,028	17,132	38,725	45,136	255,325	287,429
GENERAL MOTORS	89,591	99,473	259,056	310,886	1,799,035	1,997,376
VOLKSWAGEN	3,858	5,105	7,818	11,576	46,129	84,314
DOMESTIC TOTAL	158,420	173,684	451,430	517,815	2,934,824	3,308,432
IMPORT TOTAL	.....	.....	199,093	205,562	1,101,165	1,273,863
INDUSTRY TOTAL	.....	.....	650,525	723,377	4,035,989	4,582,295

†—Estimate.
*—AMC does not issue a nameplate breakout for a 10-day periods.

Automotive World News

Recession over in Europe? First-quarter sales stir hope

By Richard Feast
European Editor

Has the long-hoped-for end of the recession in auto sales arrived in Europe?

Early returns for the first quarter of this year indicated a modest upturn after two consecutive years of serious decline.

Optimism is heightened by the fact that the January-to-March figures were recorded before what is traditionally a peak buying period — from April through to the beginning of the summer holidays.

Total sales in western Europe's 15 national markets (excluding Greece) amounted to some 2,689,300, an increase of 2.2 percent over the opening quarter of last year.

If the trend continues throughout the whole year, it would suggest a year-end European total of 9.87 million sales. This would compare with the 10.33 million achieved in the peak year of 1979 and the two subsequent totals of 9.97 million and 9.66 million.

There are no official, European-wide sales statistics compiled. Instead, each national trade association collates sales returns and obtaining a clear overall picture of trends is difficult.

However, top European manufacturers maintain a close watch on the markets to enable them to monitor their progress alongside that of their rivals.

Some of the details in the statistics acquired by AUTOMOTIVE NEWS from one of them could be disputed, but they provide a good general guide to the shifting patterns.

From them, for example, it is easy to identify a substantial weakening of the Japanese presence and a substantial jump in General Motors' share of the business.

The western European market is dominated by four countries, West Germany, France, Italy and the UK, which between them account for three-quarters of all new car sales.

And it is the advance in one of them that largely accounts for the overall increase in sales.

In the first quarter of this year sales in France rose in unit terms by 77,900 compared with the same period last year. It was an expansion of more than 17 percent, and one of the largest swings on the continent.

But in overall terms the increase in units amounted to only 57,400, or 2.2 percent more than last year.

The reason lay in Germany, where sales dropped back by 7.4 percent, or 47,600 units.

Of the other "big four" countries, Italy managed a modest 4,200 unit improvement (0.9 percent) and the UK fell back by a further 7,800 (1.9 percent).

The continued expansion of the Italian market since the second oil crisis has confounded and delighted European makers. While total European sales dropped by nearly 6.5 percent between 1979 and 1981, Italian sales soared by 30 percent to nearly 1.73 million.

The upward curve has flattened considerably this year, though, and sales this year are expected to run out around the same level as last year.

On a smaller scale, Finland, Norway, Switzerland and Portugal have also each managed annual increases since 1979. And each registered a small increase in the opening quarter of this year.

The Republic of Ireland looked to be following a similar pattern, though its opening quarter sales slipped into reverse this year.

On the other hand, this year's increase in French demand has been mirrored over the border in Belgium and Spain, and in two Scandinavian countries, Denmark and Sweden. What they all have in common is an opening quarter improvement after two years of generally falling sales.

The real weaknesses continue in Germany, the UK, Holland and Austria.

As the dominating influence on the large French market, Renault's overall position in Europe has been strengthened, according to these statistics. In the first quarter it accounted for 14.4 percent of all sales.

Renault is also No. 1 in Spain, a market which has been sluggish but in the January to March period exhibited some of the long-expected expansion. It also improved its standing on the large Italian market, which compensated for some of its lost share in the declining German and UK markets.

The Peugeot group, Ford and Fiat Auto stood next in this analysis. Fiat and PSA (12.9 and 13.2 percent respectively) improved, and Ford (13.1 percent) marked time.

However, the Volkswagen-Audi Group slipped slightly to 11.8 percent. It was handicapped by the overall decline in demand in the vital domestic market, and a drop in its penetration on the Italian market. But it recorded good successes in France and the UK.

General Motors' greatly improved standing was as a result of its improvements on its two main domestic markets, Opel in Germany and Vauxhall-Opel in the UK. And this has been largely attributable to the arrival of the front-drive J-car last fall.

With the recent introduction of diesel versions of the Kadett and Ascona, and the arrival towards the end of this year in certain markets of the new small Corsa, GM's European passenger car representation is set for further improvements.

But perhaps it is the erosion of Japanese representation which is the most noteworthy feature of these statistics. In no small part it stems from the decline of that country's products in West Germany, where the local makers have met—seemingly successfully — the Japanese challenge.

In the first quarter, Japan's market share fell by 3 points to 7.4 percent — in a market that declined by 7.4 percent.

It contributed to the overall fall of 2.1 percent to 8.2 percent in Japan's presence in Europe.

Of course, many markets have erected trade barriers against the Japanese, and their presence will always be an artificial one. The most notable are in Italy (a mere 2,300 units) and France (a strict 3 percent market share).

But there is a much more confident feeling among European auto executives that they are now better equipped to meet the Japanese challenge.

However, there are no such restrictions on sales of cars from Comecon countries. If the opening quarter trend in sales of the Soviet-made Ladas is continued, Communist bloc imports may become the next cause for concern among the western Europeans.

It is estimated that Lada sales increased by 10 percent in the first quarter of this year. It is believed they account for around one percent (or 24,000 units) of the markets in which they are sold.

In the past 18 months there have been significant volume increases in Belgium/Luxembourg and France. These add to the good business Ladas have traditionally enjoyed in Finland (around 10 percent) and Norway (around 3 percent).

Satra Industrial Corp., of

Continued on Page 15, Col. 2

How Europe's markets have moved

Country	3 mos., 1982	3 mos., 1981	Change (%)
Austria	47.1	51.4	− 8.4
Belgium/Lux	114.8	107.2	+ 7.1
Denmark	25.0	21.0	+ 19.0
Finland	34.2	29.0	+ 17.9
France	525.4	447.5	+ 17.4
Ireland	31.2	35.9	− 13.1
Italy	478.2	474.0	+ 0.9
Netherlands	123.6	132.7	− 6.9
Norway	28.5	24.3	+ 17.3
Portugal	17.7	16.4	+ 7.9
Spain	131.9	112.6	+ 17.1
Sweden	50.8	46.1	+ 10.2
Switzerland	71.2	68.6	+ 3.8
UK	412.5	420.3	− 1.9
West Germany	597.4	645.0	− 7.4
Total	2,689.3	2,631.9	+ 2.2

European market shares
(unofficial)

Manufacturer	3 mos., 1982	3 mos., 1981	1981
BL	3.4	4.0	3.7
BMW	2.8	2.6	2.7
Daimler-Benz	3.1	3.3	3.3
Fiat Auto	12.9	12.4	12.7
Ford	13.1	13.1	12.3
General Motors	9.5	8.5	8.4
Japanese (all)	8.2	10.3	9.2
Peugeot SA	13.2	12.7	13.2
Renault	14.4	13.7	14.0
VAG	11.8	12.0	12.6
Volvo	2.0	1.9	1.9
Total sales (units x 000)	2,689.3	2,631.9	9,664.0

European auto makers define western Europe differently, depending on whether they sell in a given national market. This unofficial listing, compiled from industry sources, is based on the 15 major national markets but excludes Greece.

Talbot Horizon EXD from Automobiles Peugeot is powered by a new 1.5-liter diesel engine said to be very quiet and faster than Volkswagen's.

Pizzazz, new models propelling Peugeot into decade of the '80s

By Richard Feast
European Editor

There is more pizzazz at Automobiles Peugeot these days.

That is to say, it is moving into the '80s as are its rivals. For them it was a natural progression from the '70s. For Peugeot it meant moving from the '50s.

Peugeot has just launched the snappy little Talbot Samba convertible on the domestic market. It is coming out with a revised range of Talbot Horizons, including some diesel-powered versions.

From September until next March it is coming out with almost a fresh model a month, culminating with the arrival at next spring's Geneva auto show of the all-new Peugeot 205.

Peugeot's profile will be much, much higher, in a gallant bid to win back some of its lost market share.

It was a decline which stemmed back to the Peugeot group's acquisition in 1978 of the former Chrysler Europe interests in France, the UK and Spain.

Peugeot overnight became a major force in the automobile world, having taken control of Citroen a few years earlier. The plan was to create a three-pronged thrust on the new car market, particularly in Europe where it became No. 1 with practically 18 percent of the market.

But that share dwindled over the years, and was little more than 13 percent last year — behind its great French rival, Renault.

One of the Peugeot group prongs has been lost in battle. Talbot (Chrysler) is no more than a brand name within Automobiles Peugeot. Automobiles Citroen remains a separate organization, but there is an increasingly strong movement towards commonality of components.

Peugeot's strength lay in its products. They had a fine reputation for quality, and appealed to the European bourgoisie. They were worthy but dull — products which almost sold themselves to a solid brand of repeat-order citizens.

Then came the big sales freeze of 1980 and 1981.

Peugeot, in the middle of absorbing Talbot, began losing sales to rivals from a tougher commercial world. These rivals pushed hard, an aspect of the real world with which Peugeot had not before contended.

At the same time its unique reputation as a quality producer began to suffer.

It was a hard lesson for the Peugeot generals in the Avenue de la Grande Armee in Paris. And while they may have been slower to react than some rivals, the change has come.

The turnaround could have come with the introduction at the end of last year of the small Samba, a super-mini adapted from the Peugeot 104. It created enormous showroom traffic and, at the same time, introduced potential customers to the larger Horizon.

The convertible Samba is out, at least in France. It is a smaller-volume model, but important

Continued on Page 15, Col. 1

This snappy little Talbot Samba convertible is representative of Automobiles Peugeot's move into the '80s.

Imports taking bigger bite of car sales in France

By Richard Feast
European Editor

In the opening five months of 1980, imported vehicles accounted for 20.1 percent of the French new-car market.

In the same period one year later, the importers' share stood at 26.1 percent.

At the end of May this year the proportion of foreign-made cars going on to French roads since January amounted to 28.6 percent. In May itself the figure was 32.3 percent.

The clear trend has caused considerable soul-searching by the French auto industry, which by tradition had always been able to rely on the patriotic buying habits of its citizens.

French officials had always regarded 20 to 25 percent as a perfectly normal penetration in a healthy industry. But the rising trend — on a rising market — has cast doubts on the industry's ability ever to win back its losses.

The question being asked now is, "Where will it end?"

An independent analyst, Jean-Claude Brauda, of Peat, Marwick, Mitchell's Paris bureau, does not think imports will go beyond 35 percent.

"If it is higher it will have reactions on the employment by the French car manufacturers. Politically, that could be very difficult," he warns.

There is no doubt that the car unions — and all unions — carry more clout since the arrival at the Elysee Palace of President Mitterand. Already this year, Renault, Citroen and Talbot have been hit by protracted strikes — which, ironically, are one of the many reasons for the higher levels of sales being achieved by foreign manufacturers.

This round of strikes left domestic manufacturers short of stock when demand was buoyant after long periods of stagnation.

Inevitably, the industrial action led to speculation that it was politically inspired and coordinated. Whatever the reasons, domestic manufacturers were unable to take advantage of the year's main buying period, from the spring through to the start of the summer vacations in mid-July.

To the end of May, new car sales were up nearly 9 percent to more than 873,000. There had been larger gains earlier in the year, and it looked as though the turn-around in French demand had arrived.

"As a customer, if you can't get the car you want you turn to another one. If that one is more attractive, if it is cheaper, if you have more dealers to sell it to you, the result is inevitable," comments Brauda.

It highlights some of the other reasons why imports have done so well.

Most of the big gains were by the West German auto makers, the Volkswagen group, Ford, BMW and, more recently, GM's Opel. Fiat of Italy also benefitted considerably.

With inflation in France around 14 percent, and around only 4 percent over the Rhine in Germany, the German makers strengthened their competitiveness. They were able to mak their products more cheaply, and, because of the artificially high exchange rate of the French franc against the German mark, they were able to export them very competitively.

Not that the German makers undercut their French opponents. Instead, they priced their cars at similar levels and made more profits along the line.

Some of that extra revenue went into their pockets. But they also invested heavily, loaded their cars with more equipment and engaged in additional advertising, publicity and dealer support.

At the same time, the only really new product from French manufacturers to stimulate demand was the Renault 9. Their importer rivals were able to counter with cars like the VW Polo, VW's Formul E (for economy) versions, the Ford Escort, Fiat Panda, Opel Ascona and diesel versions of the Ritmo and Kadett.

The recent revaluation of the franc by 10 percent against the German mark (and Dutch guilder) is seen by the French industry as a positive move, though it continues to believe it should have been by 15 percent.

It will make German products more expensive—and enable the French to export more competitively to Germany.

Just what effect the French government's other anti-inflation measures will have on the market place is less certain. In an effort to reduce inflation by the end of the year to 10 percent, it placed a four-month freeze on prices and wages.

Most domestic makers had increases in the pipeline — though they welcomed the block on wage increases.

It did, however, complicate the dispute at the Talbot Poissy plant in June. The (largely immigrant) work force was demanding substantial wage increases, improvements in social conditions and the facility to take their five-week holidays all at one go.

Towards the end of June, with the strike costing around 1,400 units a day, there was no end to the dispute in sight.

Most observers also believe that the other major reason for the rise in imports was caused by the decision by Peugeot to amalgamate its Peugeot and Talbot dealer bodies.

Those dealers dissatisfied, or those rejected by Automobiles Peugeot, were quick to pick up franchises from importers or from Renault.

"That is probably the most important reason why Volkswagen is so strong in France right now," reports one.

But it is a charge emphatically rejected by Peugeot's commercial director, Victor Dial.

"There's a lot of nonsense written about that. It bugs me everytime I read it," he declared.

According to Dial, a total of 188 dealers was lost in France. Forty-three became service points or used car dealers; 26 gave up the automobile business; 47 went to Renault; 29 went to Volkswagen; six to Citroen; and 37 went to other manufacturers like Ford, GM, Fiat.

How imports in France are climbing

Manufacturer	1982	1981	Change (%)
BL	11,573	7,908	+ 46.3
Fiat Auto	40,426	31,998	+ 26.3
Ford	51,399	43,111	+ 19.2
General Motors	19,983	13,046	+ 53.2
Peugeot SA	284,662	260,770	+ 9.2
Citroen	118,772	113,138	+ 5.0
Peugeot	111,382	111,523	— 0.1
Talbot	54,508	36,109	+ 50.9
Renault	337,553	329,795	+ 2.4
VAG	53,625	53,776	— 0.3
Japanese (all)	21,991	18,350	+ 19.8
Imports (all)	249,377	209,326	+ 19.4
Total sales	873,377	802,245	+ 8.8

These unofficial early returns for the opening five months provide indicators of the shifting demands on the French market. The main loser in terms of market share is the No. 1 retailer, Renault, with a share of 38.6 percent compared with 41.1 percent one year earlier. In the same period the importers' combined slice rose from 26.1 percent to 28.6 percent.

"The dealers that went to importers represented 3.7 percent of our potential sales volume. And that represents very much less than one percent of the French market," he maintains.

One aspect which has accompanied this upheaval in the French market is discounting. It is by no means as widespread as it is in the UK, in Belgium or the U. S., but it has become a factor.

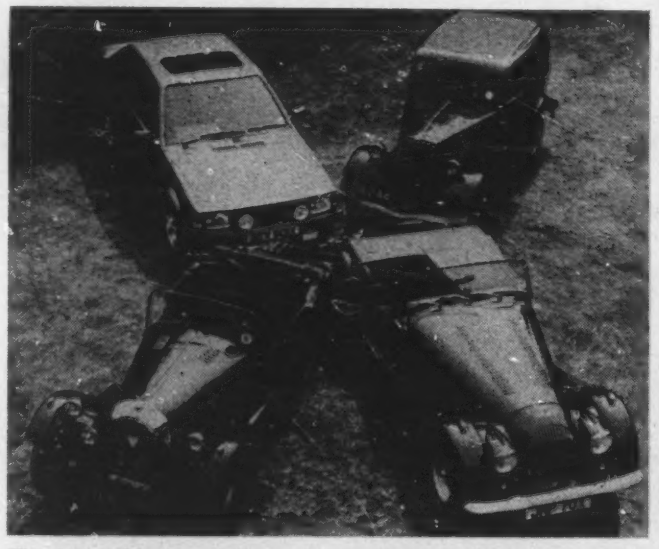
Of course, even when sales boomed, there were small discounts for regular customers with large orders. Now, almost any customer can obtain a discount of three to five percent on almost any car—including some of the super-economy models.

Publicity about the aspect is actively discouraged, and it is extremely hard to obtain more —and then only on larger cars.

French new car sales rose by 8.8 percent in the opening five months of this year compared with the same period one year earlier. They amounted to 873,377 units.

But imports increased by twice as much, by 19.4 percent to 249,377 units.

Japanese importers, restricted to 3 percent of total sales, are not a factor on the French market. They reached only 2.5 percent, and there is a feeling that the Japanese are playing a diplomatic game and do not even want to breach their limits.



The latest Morgan 4/4 sports car (front right) can be equipped with Ford's CVH engine which powers the front-drive Escort (rear left). In the English sports car it drives the rear wheels via a Cortina gearbox. Morgan, established in 1910, first used Ford power in 1933 in its F4 three-wheeler (front left). That engine was from the Model Y Ford (rear right).

Volvo Bus Corp., of Sweden, is claiming an entry in the Guiness Book of Records with its Across Australia Coaches B58s. The two buses are continuously on the highway covering the 2,800 miles between Perth in the west and Sydney in the east, the longest regular bus service in the world. Between them they cover 1.25 million miles a year and carry about 10,000 passengers.

PRODUCTION OVERSEAS

JAPAN

Cars

	4 mos., 1982	4 mos., 1981
Daihatsu	44,228	54,875
Fuji	68,050	63,559
Honda	296,849	296,102
Isuzu	44,153	42,072
Mitsubishi	205,063	200,074
Nissan	594,250	607,167
Suzuki	21,499	30,975
Toyo Kogyo	284,417	279,463
Toyota	746,921	773,880
Total	2,305,430	2,348,167

Trucks, buses

Daihatsu	102,017	105,881
Fuji	102,622	88,018
Hino	21,895	23,486
Honda	49,233	47,978
Isuzu	100,309	116,260
Mitsubishi	134,431	148,048
Nissan	219,715	238,741
Nissan Diesel	12,897	14,193
Suzuki	162,112	147,761
Toyo Kogyo	93,848	119,083
Toyota	320,709	340,707
Others	283	275
Total	1,320,071	1,390,431
Total vehicles	3,625,501	3,738,598

SPAIN

	3 mos., 1982	3 mos., 1981
Citroen	23,618	14,232
Ford	52,553	62,753
Renault	74,742	83,505
Seat	71,215	53,364
Talbot	13,179	14,805
Total	235,307	228,659

Trucks, buses

CAF	146	402
Citroen	9,567	6,067
ENASA	2,246	3,780
Ford	2,167	887
Mercedes-Benz	3,199	3,229
Motor Iberica	2,739	3,863
Renault	8,218	5,709
Santana	3,549	4,373
Seat	559	539
Talbot	758	820
Total	33,148	29,668
Total vehicles	268,455	258,327

UNITED KINGDOM

Cars

	3 mos., 1982	3 mos., 1981
BL	129,994	121,695
Austin Rover	120,245	116,074
Jaguar	6,032	3,328
Range Rover	3,717	2,293
Ford	89,704	78,578
DeLorean	1,054	66
Lotus	138	88
Reliant	24	22
Rolls-Royce	707	704
Talbot	9,692	27,240
TVR	30	50
Vauxhall	25,640	17,053
Others	140	156
Total	257,123	245,652

Trucks, buses

Bedford	12,812	11,824
BL	23,539	22,359
Austin Rover	8,904	8,001
Land Rover	11,094	10,771
Leyland	3,541	3,587
ERF	386	N/A
Foden	191	148
Ford	29,856	19,663
Hestair-Dennis	236	225
Karrier (Dodge)	2,021	2,379
MCW	91	206
Seddon Atkinson	283	306
Others	130	192
Total	69,545	57,302
Total vehicles	326,668	302,954

FRANCE

	4 mos., 1982	4 mos., 1981
Peugeot SA	493,767	438,602
Citroen	206,674	186,126
Peugeot	192,229	185,924
Talbot	94,864	66,552
Renault	479,670	464,334
Total	973,437	902,936

Trucks, buses

CBM	40	27
Peugeot SA	51,293	63,828
Citroen	11,461	16,969
Peugeot	34,206	42,406
Talbot	5,624	4,453
Renault	79,214	81,493
Sovam	28	43
Unic	2,013	4,362
Total	132,588	149,753
Total vehicles	1,106,025	1,052,689

Peugeot

Continued from Page 12

in rebuilding the company's staid image.

Now Peugeot has revealed details of its diesel-engined Horizon. But because of the strike at Poissy, in mid-June Peugeot officials had not decided whether to launch on schedule or wait until September.

The planned launch date was July 1, but if there were insufficient stocks, Peugeot was going to postpone its public offering until after the summer vacations, when sales are traditionally slack.

There are other improvements to the Horizon range, too, including better rear knee space and slightly larger trunk space. There is also a more sporty version, and options on most models of power-assisted steering — unusual in a car of this category from a European maker.

Later this year there will be a spate of model revisions and additions from Peugeot. Undoubtedly some will center on diesel engine variations of other models, as well as more sporty machines.

The cake will be iced next March by the 205, a model which will fit between the baby 104 hatchback and the 305 sedan.

There has been a slight improvement in AP sales already, mainly from the Talbot side. According to commercial director Victor Dial, the company's latest forecast is to capture an 8 percent share of the European market this year.

This would amount to around 784,000 in a market expected to reach 9.8 million.

Last year Peugeot did 7.8 percent of a 9.7 million European market, or around 756,000 units.

The company's improvement is centered on the big French market, which is expected to finish at around 1.97 million this year compared with around 1.83 million last year. "I don't think the market will be any higher, and there's every risk it will be lower," comments Dial in a reference to the economic uncertainty which exists in France at present.

He traces Peugeot's share of the French market. "We've had a steady evolution. In the first quarter of 1981 it was 18.3 percent. In the second quarter it was 18.6 percent, in the third 18.8 percent, and in the fourth 19.6 percent.

"In the first quarter of this year we had 19.8 percent. In the second quarter I suspect we're going to fall back with a tough June. Because of shortage of stocks — on account of the strike — I look for a third quarter that's going to be difficult.

"However, assuming everything else works out and we get back to normal stock levels, in the fourth quarter we're looking at well over 20 percent.

"So, for the year, we'll probably have a share of around 19.3 percent, which compares with a share of 18.8 percent in 1981. But we'll be finishing the year at a level of about 21 percent and I think our running level for 1983 will be at that level or higher," he forecasts.

Despite production difficulties, Dial believes Samba will go beyond the expected target of 100,000 for the year. The build program for May, he points out, was 14,000.

He also credits the car with creating better demand for the Horizon.

"We're going to sell around 150,000 Horizons in Europe this year. With the addition of the diesel we'll be shooting for 200,000 next year," he said.

But Peugeot acknowledges that the car is in an extremely competitive sector, with diesel versions of the Golf, Ritmo, Kadett and (shortly) the Renault 9 to contend with.

There are also signs that diesel demand, at least in France, is tapering off. "I'm sensitive to that," comments Dial, "because I've seen what's happening in the U. S."

The collapse of the diesel market has left Peugeot with large stocks of unsold diesels in the U. S., and not enough gasoline cars. While it is convinced the trend is short-lived, it has caused the company to revise downwards its sales expectations for the year—15,000 from 20,000.

But while Peugeot is introducing new products and freshening old ones, it has begun tackling one of its major problem areas — the surfeit of models. The hatchback Talbot 1510 is being deleted in France and most of Europe, though it will continue to be made in the plants in the UK (as the Alpine) and Spain. The sedan Solara version will continue in production in France.

It is just the start. "If you have too many products—even though there was a good reason for making them in the first place — you stop making them, little by little," Dial said.

"In future, when we bring out new cars we may be replacing more than one old car.

"We have 12 products today between Peugeot and Talbot. I'd like to get that down to five or six. That's what all our competition has. That's what Peugeot and Talbot had before.

"It takes a long time, maybe four or five years, because you can't do it overnight."

Sales

Continued from Page 12

New York, controls the UK and German concessions — worth around 5,600 units in the first quarter of this year.

The various European concessionaires, who obtain their supplies from Avtoexport in Moscow, are gradually building up their dealer representation.

Since the spring of last year most have been selling the revised 2105 version of the boxy, solid Lada design, adapted from an old Fiat 124 product. Much of their success in selling this car is attributable to the 2105 and its very competitive pricing — which enables the Soviet Union to earn much-needed Western currency.

There is no doubt that Lada importers are also gearing up for the arrival of the front-drive model. This machine, for which Porsche's engineering center is completing much of the development work, was expected in 1983. The latest word is that it will now not arrive until 1984-85 — but that it is this model which will herald a much more serious drive into western European markets.

After all, if dealers can shift the volumes they do of what is by any standards a medieval-style of car, they will be on to a real winner with the front-drive.

Nowhere has the company more models than at the top end, where sales have been hit by the big car recession. It has the older Peugeot 604 and the newer Talbot Tagora. It also has the Peugeot 505.

This diversity of models has meant that Peugeot's advertising and promotion budget has had to be split too many ways. Little has gone into the Matra Murena sports car.

"It's a question of being able to allocate resources to the totality of your product offering. This is a problem. We just had to decide what we could promote, what would get us most results," said Dial.

He pointed out that Peugeot is a shareholder in the Matra auto making division of the defense group. But low sales are causing staff cuts at the Romorantin plant, and the head of Matra has raised the possibility of complete closure.

The other question mark over Peugeot concerns quality. While acknowledging that the company has had problems — like all others — it sees its position differently.

It believes other European auto makers have caught up with Peugeot, rather than Peugeot having slipped. It is now anxious to regain its advantage, and is making big efforts to improve its quality.

A senior company executive says, "We have a Japanese professor who consults with us frequently on Japanese work methods. Now, we've moving towards zero defect systems and zero stock systems.

"We're trying to draw conclusions from the Japanese experience where necessary, in quality as well as manufacturing techniques."

The new Horizon diesel is powered by a completely new engine and uses new transmissions from two recently opened group factories.

These plants, the engine one at Tremery in the Lorraine and the gearbox one at Valenciennes in northern France, will supply products for all future Peugeot group models. They will, for instance, produce components for the new Citroen BX which will be launched in the fall.

The diesel engine has a capacity of 1,905cc and produces 65 HP. It is known as the XUD-9. It is a light unit (with alloy cylinder head) and is said to be very quiet.

Installed in the Horizon with five-speed gearbox, it is good for 97 MPH. — faster than the Golf — and on the ECE fuel consumption cycle produces (in U. S. gallons) the equivalent of 33.1 MPG on the urban cycle, 52.3 MPG at 56 MPH and 36.7 MPG at 75 MPH.

There are improvements to the whole range, and the addition of a Premium version with 1.6-liter, 90-HP gasoline engine.

The new manual gearboxes are produced at the SMAN (Societe Mechanique Automobile du Nord) factory, which has a 95 percent shareholding by AP and 5 percent by Citroen.

The gearbox is known as BE1. Production began last fall, and the daily rate is currently running at 800. But this will rise by the middle of the decade to 3,200, or around 700,000 annually.

Employment, now around 800, will rise to 2,600 by the time the factory is on full song. The highly automated plant, which contains 360 robots and a system of manpower flexibility, represents an investment of $220 million.

REGISTRATIONS OVERSEAS

UNITED KINGDOM
Cars

	5 mos., 1982	5 mos., 1981
Alfa Romeo	3,971	2,481
BL	120,342	142,710
BMW	10,913	7,893
Colt	3,045	5,792
Daihatsu	2,148	1,034
Datsun	37,467	44,239
Fiat Auto	22,554	24,745
Ford	204,301	209,621
FSO (Polski-Fiat)	1,160	791
General Motors	80,429	59,951
Honda	6,502	7,325
Hyundai	981	—
Jeep	2	37
Lada	6,726	5,231
Lotus	184	102
Mazda	5,508	8,474
Mercedes-Benz	5,908	5,047
Panther	14	19
Peugeot SA	44,994	57,345
Renault	29,802	33,881
Rolls-Royce	417	666
Saab	4,284	4,281
Skoda	3,326	3,212
Subaru	1,037	1,308
Suzuki	1,255	1,090
Toyota	10,725	9,320
VAG	39,061	35,026
Volvo	22,572	18,354
Zastava	842	—
Others	1,732	1,692
Total	672,264	691,850

SWEDEN
Cars

	5 mos., 1982	5 mos., 1981
Alfa Romeo	203	231
BMW	1,445	1,206
Daihatsu	444	371
Datsun	2,020	2,012
Fiat Auto	1,883	1,579
Ford	9,178	9,329
General Motors	8,898	7,361
Honda	1,598	1,555
Lada	1,225	1,285
Mazda	3,903	3,720
Mercedes-Benz	2,204	2,134
Mitsubishi	568	892
Porsche	62	45
Peugeot SA	2,562	2,889
Renault	888	1,306
Saab	12,568	10,544
Skoda	194	123
Subaru	113	—
Toyota	3,437	2,241
VAG	10,723	9,171
Volvo	24,439	21,475
Total	88,577	79,539

WEST GERMANY
Cars

	4 mos., 1982	4 mos., 1981
Alfa Romeo	4,139	4,751
American Motors	81	211
BL	1,487	2,264
BMW	48,698	47,684
Daihatsu	2,123	3,407
Datsun	13,719	15,742
Fiat Auto	38,526	35,040
Ford	93,598	122,523
General Motors	163,009	150,174
Honda	11,111	14,125
Lada	2,509	2,216
Mazda	13,392	17,958
Mercedes-Benz	85,288	88,746
Mitsubishi	12,185	19,086
Nuova Innocenti	257	685
Peugeot SA	38,736	40,591
Citroen	16,226	17,110
Peugeot	9,702	11,334
Talbot	12,808	12,147
Porsche	3,823	3,832
Renault	35,508	41,092
Saab	1,002	1,008
Skoda	561	687
Subaru	1,402	583
Suzuki	3,575	2,795
Toyota	13,896	17,958
VAG	255,560	267,581
Audi	48,459	62,090
Volkswagen	207,101	205,491
Volvo	4,202	5,153
Total	848,898	910,505

AUSTRIA
Cars

	4 mos., 1982	4 mos., 1981
Alfa Romeo	1,027	766
BL	249	298
BMW	2,819	2,620
Daihatsu	93	143
Datsun	4,138	4,866
Fiat Auto	4,683	4,423
Ford	5,670	7,024
General Motors	10,787	8,082
Honda	744	916
Lada	612	791
Mazda	6,987	6,738
Mercedes-Benz	1,627	2,264
Mitsubishi	1,331	2,233
Peugeot SA	5,873	6,897
Porsche	162	172
Renault	4,459	4,362
Saab	203	267
Skoda	107	153
Subaru	1,040	1,249
Suzuki	497	501
Toyota	2,310	3,768
VAG	14,619	15,686
Volvo	1,056	1,341
Total	71,033	75,645

JAPAN
Cars

	4 mos., 1982	4 mos., 1981
Daihatsu	27,131	29,897
Fuji	23,957	21,532
Honda	77,117	56,594
Isuzu	21,078	22,255
Mitsubishi	84,845	90,220
Nissan	278,784	277,942
Suzuki	19,499	21,310
Toyo Kogyo	81,368	73,598
Toyota	385,332	369,229
Imports	11,305	13,698
Total	1,010,416	976,275

Trucks, buses

Daihatsu	84,771	73,698
Fuji	61,115	46,556
Hino	13,869	14,472
Honda	43,924	44,273
Isuzu	45,715	47,409
Mitsubishi	94,771	95,812
Nissan	102,892	124,992
Nissan Diesel	6,700	7,755
Suzuki	123,541	108,727
Toyo Kogyo	51,975	60,603
Toyota	124,688	145,255
Total	751,961	769,552
Total vehicles	1,762,377	1,745,827

FRANCE
Cars

	3 mos., 1982	3 mos., 1981
Alfa Romeo	6,959	5,262
BL	5,648	4,929
BMW	8,043	5,363
Datsun	3,724	3,932
Fiat Auto	21,324	15,456
Ford	29,743	25,228
General Motors	11,417	7,268
Honda	1,474	878
Lada	4,878	2,564
Mazda	3,207	1,263
Mercedes-Benz	4,580	3,857
Mitsubishi	1,030	3,220
Peugeot SA	177,196	145,891
Citroen	72,794	63,998
Matra	725	948
Peugeot	71,295	60,564
Talbot	32,382	20,381
Polski-Fiat	306	289
Renault	209,170	184,710
Saab	24	80
Skoda	872	870
Toyota	2,336	3,220
VAG	30,227	30,693
Volvo	2,647	2,229
Zastava	225	313
Others	498	537
Total	527,825	447,893

IRELAND
Cars

	2 mos., 1982	2 mos., 1981
BL	655	885
Datsun	1,979	3,061
Fiat Auto	1,672	2,131
Ford	4,258	5,576
General Motors	2,138	2,827
Mazda/Mercedes-Benz/VAG	1,957	2,668
Renault	1,549	1,930
Toyota	2,930	4,572
Total	18,463	26,345

factories list auction dates

American Motors

July 13—Aptco Auto Auction, Taylor, Mich.

July 14—Southern Auto Auction, Warehouse Point, Conn.; Central States Auto Auction, Mason City, Ia., and Dallas Auto Auction, Grand Prairie, Tex.

July 15—Todd Auto Auction, Telford, Pa.; Minneapolis North Star Auto Auction, Shakopee, Minn.

July 16—Floyd Hauhe Auto Auction, Bridgeton, Mo.; Concord Auto Auction, Acton, Mass.

July 20—D-A Auto Auction, New Stanton, Pa.; Ohio Auto Auction, Columbus, O.

July 21—Kansas City Auto Auction, Kansas City, Mo.; Sand Mountain Auto Auction, Boaz, Ala.

July 22—Minneapolis North Star Auto Auction, Shakopee, Minn.; Fredericksburg Auto Auction, Fredericksburg, Va., and Evansville Auto Auction, Evansville, Ind.

July 27—Aptco Auto Auction, Taylor, Mich.

July 28—Southern Auto Auction, Warehouse Point, Conn.; Central States Auto Auction, Mason City, Ia., and Dallas Auto Auction, Grand Prairie, Tex.

July 29—Todd Auto Auction, Telford, Pa.; Minneapolis North Star Auto Auction, Minneapolis, Minn.

July 30—Floyd Hauhe Auto Auction, Bridgeton, Mo.; Concord Auto Auction, Acton, Mass.

Ford Motor Co.

July 14—Columbus Auto Auction, Obetz, O.; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Southern California Auto Auction, Fontana, Calif.

July 20—Arena Auto Auction, Chicago, Ill.; Harrisonburg Auto Auction, Harrisonburg, Va.

July 22—Nashville Auto Auction, Nashville, Tenn.

July 27—Aptco Auto Auction, Taylor, Mich.

July 28—Concord Auto Auction, Acton, Mass.; Central States Auto Auction, Mason City, Ia., and Golden Gate Auto Auction, Fremont, Calif.

Chrysler Corp.

July 13—Aptco Auto Auction, Taylor, Mich.

'Met' grand opening in Wisconsin

Metropolitan Cadillac, Inc., West Allis, Wis., opened a new facility with showroom space for seven cars and up-to-date service area. At the grand opening celebration were from left: Ellie R. Torre, Cadillac assistant general sales manager-West; Nancy S. Lee, Milwaukee district manager; Raymond T. Morris, president, Metropolitan Cadillac, and Charles J. Werstine, Chicago zone manager.

Model breakdown

Auction Averages

	JULY TO DATE	JUNE	MAY
1982	$9,486	$9,646	$9,102
1981	6,768	6,892	6,995
1980	5,186	5,367	5,439
1979	4,684	4,768	4,807
1978	3,787	3,637	3,874
1977	2,916	2,950	2,986
1976	2,074	2,041	2,148
1975	1,555	1,415	1,539
Overall Average	$4,682	$4,708	$4,799

3-day event sells 75 GM cars

St. Petersburg dealers draw buyers to sale

ST. PETERSBURG, Fla.—Although they fell short of their sales goal, five General Motors dealers were happy with the sale of 75 new cars during a combined three-day sales effort at the Bayfront Center exhibit hall here.

Adcock Buick, Bert Smith Oldsmobile, Crown Pontiac, Dew Cadillac and Ross Chevrolet displayed 500 new models "for interested buyers only, not sightseers," said Bob Keelean, president of Adcock Buick.

"And that's what we got, buyers," he said. He added that participating dealers were pleased with results even though they fell short of an admittedly "unrealistic goal of selling 100 cars per day."

Keelean said that "a lot of good leads were obtained in addition to the firm sales which should generate subsequent business."

The sale, held in May, was tied directly to GM's 12.8 percent financing plan.

Savings to buyers under the 12.8 percent plan ranged from $850 to $1,350, Keelean said.

Worthy of note was the fact that "a bulk of the cars sold were larger models, full-sized automobiles and station wagons," Keelean said.

The five dealers are expected to stage another combined effort in the future. "They were all pleased, pleased enough to want to try it again," Keelean said.

He hopes they will be able to arrange a weekend showing the next time around, instead of during the week, to bring in more traffic.

Used car sales

Auction Averages

July to date	$4,662
Month ago	$4,723
Year ago	$4,308

4 Chicago outlets added by L-M

CHICAGO. — Lincoln-Mercury Division added four dealers in the Chicago area in the first five months of this year, compared with three in all of 1981, according to William Neil, manager of the division's Chicago district office.

The four new dealerships are: Lombard Lincoln-Mercury; Barrington Sales & Service; River Oaks Lincoln-Mercury, Calumet City, and Capital Lincoln-Mercury, Chicago Heights.

The district currently has 34 dealers in the metro-Chicago area. In 1978, it reached a high point with 42 dealers.

used-car auction directory

Display Rates: $80.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $17.00; 13-times, $13.00; 26-times, $11.50; 52-times, $10.00. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.

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To America's used car dealers, it's every bit as prestigious—and represents every bit as much profit potential—as the hood ornaments of the world's classiest cars.

It's the symbol of the Manheim Auctions System. Why this universal respect? Because Manheim gives buyers the industry's best selection of cars, its most comprehensive support services, and its most proven skills. Because Manheim gives sellers unrivaled expertise and professionalism in the vital inventory regulation process.

Because Manheim has given everyone fair and equal treatment each and every sale day—for 37 years.

Look for the Manheim emblem. That's where you'll find your area's smartest dealers.

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COLORADO

Denver Auto Auction, 4285 South Santa Fe, Englewood, Colorado 80110. Sale every Friday, 303-761-1410, 303-761-1459.

FLORIDA

Imperial Auto Auction, Lakeland, Fla. Sale every Tues., 7 P.M. & Thurs., 1 P.M. (813) 688-8458, toll free, 800-237-7661.

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ILLINOIS

Greater Chicago Auto Auction. Every Thursday—1 P.M. Sharp. 800—1,000 cars & trucks. 312-597-3600.

NEW MEXICO

Greater Albuquerque Auto Auction — New Mexico's only dealer auction. Sale every Thurs., 12:00. Member NAAA & WAAA, 8815 Second St., N.W., 505-898-9540.

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Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. 614-871-2771.

SOUTH CAROLINA

Bruce Auto Auction & Recon Center—Fleet and Lease car and truck disposal our thing. AAA credit. 803-242-3090, Greenville, S.C.

WASHINGTON

Bob McConkey & Sons. So. Seattle Auto Auction, the Lease Specialist. 206-872-6800, P. O. Box 5189, Kent, WA 98031.

TEXAS

PAT PATTERSON'S Amarillo Auto Auction, Inc. 36 years serving most major fleet and lease companies. 3208 E. 10th, Amarillo, Texas, 806-372-2206.

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marketing & media

By JOSEPH BOHN

Making the deal attractive

Low-interest financing or low monthly payments have proven to be among the better dealer showroom draws to move cars.

In Troy, Mich., a Detroit suburb, Troy Ford ran a 12.8 percent finance offer which "definitely helped," according to Jim Elder Jr., sales manager.

The dealership used factory incentive money, plus some of its own, to work out the offer with a local bank.

Thomas Beauvais, executive vice president of Patten Corp., Southfield, Mich., feels that getting monthly payments down to $175 is a key to moving cars today.

That might be done, said Beauvais, by selling a car closer to sticker and taking the customer's normal discount and giving it to a local bank or finance company to subsidize the interest rate.

The customer ends up paying more in the long run, but at least he's making payments that are affordable, Beauvais feels.

As ways of lowering monthly payments go, Jack Kopec, senior vice president of the consumer credit division of Wells Fargo Bank in Oakland, Calif., sees auto leasing a good alternative in many instances.

Frequently, a monthly lease payment ends up being lower than a comparable car loan payment, and the customer who qualifies requires less money up front. Except for some upfront fees and first-month rental costs, the downpayment doesn't really exist.

Residuals in the leased vehicles are a key to payment size. The higher the residuals, the lower the monthly lease payment is likely to be.

GM dealers say the new GMAC program, offered with a 12.5 percent introductory rate on closed-end leases, offers very attractive residuals. And it will undoubtedly help dealers move cars they wouldn't otherwise have been able to.

At any rate, Kopec is among those who expect the lease market to grow.

"It's fairly hard to come by (good) numbers," he said. "But all of us who are in leasing see a growth in the market."

These days, the average size of a Wells Fargo consumer car loan in California is about $7,000, with contracts typically written over a 48-month period.

GMAC data for 1981 indicates its average finance contract ran 43.7 months, with payments averaging $226 a month.

Which is why many buyers have been looking for alternatives.

Olds maps out '83

As usual, Oldsmobile was among the very first Detroit divisions to commit to fall ad schedules. It has already mapped out space in fall monthly magazines, for example, picking up good space position with its early commitments.

Up-front buying is really hitting record proportions in network TV this year, according to Advertising Age, with car companies among those checking in with bigger early buys.

The only uncertainty is whether they are spending a lot more in '82/'83 or just commiting more of their total budgets up front.

Best guess is the latter. TV rates look like they're going up about 15 percent this fall, a lot more than the modest increases Detroit is talking about for its own products.

Car companies will have to pick up a lot of extra sales volume just to cover inflated TV media costs—let alone increase their TV buys on top of the extra costs.

TV spending up

National and regional spot TV auto advertising increased in the first quarter of 1982, according to the Television Advertising Bureau, which combined the figures in its report.

The TvB data is based on Broadcast Advertising Reports (BAR), with spot TV estimated from data compiled in the top 75 markets.

The following table shows advertising expenditures in thousands of dollars.

	1st Quarter 1982	1st Quarter, 1981
Toyota Motor	$11,712.1	$10,635.0
Nissan Motor	9,676.3	4,262.6
Chrysler Corp.	8,365.3	3,678.5
Datsun Dirs. Assn.	4,516.3	3,150.5
Ford Motor	4,501.6	7,107.2
American Motors	4,432.0	2,665.7
General Motors	4,126.0	5,255.1
Volkswagen	3,619.8	2,472.7
Toyo Kogyo	3,302.6	229.1
Chevy Dirs. Assn.	3,010.1	1,576.0
Olds Dirs. Assn.	2,725.2	1,824.9
Honda Motor	2,634.6	1,025.0
Buick Dirs. Assn.	2,584.9	2,400.7
Toyota Dirs. Assn.	1,822.8	1,918.6

Newspaper ads up

Auto classified advertising in newspapers also showed strong gains in 1981, according to the Newspaper Advertising Bureau.

Classified expenditures in the automotive category reached $1.225 billion in 1981, up 19.4 percent over the year earlier figure of $1.026 billion, the NAB said.

The increase paralleled a similar strong showing for the year in national advertising for new cars, which registered a 24.2 percent gain in 1981 over 1980.

"The increase in classified represents dealers and dealer associations tying in with the many price and incentive promotions staged by manufacturers," said Val Corradi, the bureau's vice president for automotive marketing.

"Another factor was the large number of special auto sections and promotions jointly sponsored by newspapers and dealer groups," he added.

Dealer account moves

The Southern California Chevrolet Dealers Assn. has taken its $3 million account to Cunningham, Root & Craig, ending a seven-year relationship with Carlson, Liebowitz and Olshever.

Burson Detroit office

Burson-Marsteller, public relations/public affairs firm, opened an office in Detroit's Renaissance Center.

The new office is part of the company's international expansion program, which includes recently opened offices in Denver, Cleveland, and Montreal; also, overseas in Oslo, Norway; Hamburg, West Germany, and Adelaide, Australia.

Kenneth G. Trantowski, most recently in the firm's Chicago office, is the new general manager of the Detroit office.

Alfa Romeo's choice

Bran Advertising, Hollywood, Fla., was appointed the agency for the South Florida Alfa Romeo Dealers Assn.

The local ad theme is "Excitement on Sale," a takeoff of the national "Engineered to Excite" campaign.

Albany Chevy dealers

The Greater Albany Chevrolet Dealers Assn. assigned its advertising account to Stone, McCaffery and Ratner, Inc., New York.

The association includes dealers in the Albany, Schenectady and Troy, N. Y., areas. Dealers renamed themselves the Capital Area Chevy Dealers, and also created a new logo.

The agency now handles 10 Chevrolet dealer associations.

Promos

Stone, McCaffery & Ratner is running a July 12-Aug. 13 TV/radio/newspaper campaign, called "Chevy Price Munchers."

The major five-week promotion is supported by Chevrolet Division. The TV schedule will be placed by the division, using a Price Munchers commercial.

Stone, McCaffrey & Ratner will create and place the newspaper and radio portion of the campaign.

Eight new-car dealers in Wilkes-Barre, Pa., joined together for an outdoor tent sale in late June. More than 500 new cars and trucks were offered for sale, with big discounts.

The sale was sponsored by the Wyoming Valley New Car Dealers Assn. Dealership staffs provided on-the-spot appraisals and financing and immediate delivery on most sales.

Radio station KXOK, St. Louis, has been broadcasting 54 spots per week at no charge, encouraging listeners to consider buying a new car.

The announcements feature Ralph Kalberloh, executive vice president of the Missouri Automobile Dealers Assn., explaining current financing, interest rates, new-car value, used-car demand and improved gas mileage.

The Wicomico County (Md.) Auto Dealers Assn. is holding "Delmarva's Largest Used Car Sale" July 16-17.

The event is sponsored by new-car dealers, with prizes and/or cash given away, according to Thomas C. Rose, Good News Oldsmobile-Cadillac-GMC, Salisbury, Md., who is chairing the event.

The Fredericksburg Auto Auction, Fredericksburg, Va., is running a "Fuego Sweepstakes," offering any dealer who purchases an American Motors Leasing Corp. unit through its auction between June 14 and July 23 a chance to win the sporty Renault model.

Personnel

Bruce P. Andrews and **David L. Kerr** were named senior management supervisors and **Lynn Vernon** and **Walter E. Dunne**, were named management supervisors, in a realignment of responsibilities in Kenyon & Eckhardt's Detroit office.

The LeBaron Open

An open, or convertible, LeBaron was the Hole-in-One prize in the 67th annual Simmons Airlines Michigan Open golf tournament in Traverse City, Mich. From left, are Doug Findlay, executive director, Michigan Section of the PGA of America; Doyle Lott, Chrysler ad director; Doug Grove, Grand Traverse Village Host professional, and Tim Lee, general manager of the Grand Traverse Hilton Resort and Conference Center, hosting the tournament.

William J. Shea is a new account supervisor.

In a newly created post, Andrews will supervise the agency's car and truck lines, both on national and dealer advertising levels for Chrysler. Andrews is a senior vice president and director of Kenyon & Eckhardt Advertising, Inc.

Kerr's newly created post includes supervision of the Detroit office's Chrysler Corp., Import Car, International, Fleet and Lease, Service and Parts, Marine, Performance Parts and Interparts accounts.

His new assignment adds responsibility for finance and administration, print production and control, public relations, research administration and product information. He most recently was management supervisor for the ad accounts that remain part of his new responsibilities. He also heads the office's new business committee. Kerr is a K&E senior vice president.

Vernon moved from account supervisor on Plymouth to management supervisor on Chrysler-Plymouth. He remains a vice president.

Dunne went from supervisor on Chrysler's corporate account to management supervisor on all accounts reporting to Kerr. He remains a vice president.

Shea became account supervisor on the Chrysler corporate account. He had been account executive on the Tri-County Metro Detroit, and outstate Michigan and Greater Cleveland Dodge dealer ad association accounts.

P. H. (Pat) Cayce, formerly manager of marketing, product and program planning for Ford's North American Automotive Operations marketing staff, left to open a heavy truck dealership in the Chicago area in conjunction with another ex-Ford employe who already has two successful such dealerships down South.

R. William McNealy Jr., former executive vice president in Kenyon & Eckhardt's Detroit office, returned to a consulting role with K&E.

Reed Chesworth, former Chrysler zone manager in Boston, was transferred to Los Angeles, with a $10 million budget to supervise advertising/merchandising. His title is California marketing director.

He works with **Jack Givens**, Chrysler vice president of marketing, and Los Angeles Zone Manager **Clark Vitulli**.

Under him, **Jerry Bergmoser**, former Western region manager for Chrysler, will work as operations manager, and **Fred Ehlers**, formerly with Ford, as merchandising manager.

Anthony O. (Tony) Weiss joined PR Associates Detroit, as account supervisor. He is a former manager of Chrysler-Plymouth public relations.

Young & Rubicam, Detroit, named three vice presidents: **Robert Paklaian**, who is associate creative director for the Lincoln-Mercury Division and LMDA accounts; **Jan Starr**, who is account executive for Ford's NAAO account, among others, and **Mare Williams**, associate creative director for Ford Parts & Service and NAAO.

Louis M. Schultz, a senior vice president of Campbell-Ewald Co., was promoted to associate director of media services.

He was most recently associate media director, responsible for all media on Chevrolet. Schultz assumed management responsibility for the print and broadcast buying groups and media information services. He is also chairman of the media strategic and forward review board.

Louis M. Schultz, a senior vice president of Campbell-Ewald, was promoted to associate director of media services. He had been associate media director.

Calvin M. Mew was elected a vice president at Kenyon & Eckhardt's New York office and promoted to the newly established position of director of market plans on the Chrysler account.

He had been market analyst and planner on Chrysler for the agency.

Roy W. Edmonds, manager of broadcast, business and production for Ross Roy, Detroit, was appointed a vice president of the company.

Peter Glas has become senior vice president, management supervisor on the General Motors North American Overseas account at McCann-Erickson, Troy, Mich., replacing **Gerald C. Atkin**, who continues as executive vice president and general manager at the agency.

Glenbrook adds Peugeot

FT. WAYNE, Ind.—Glenbrook Dodge has acquired a Peugeot franchise and has become Glenbrook Dodge-Peugeot. Douglas G. McKibben owns the dealership.

Jeep line also was in jeopardy, Majerus says

UAW pact called savior of AMC-Renault link

Continued from Page 3

failed, Richard T. MacCracken, AMC labor relations vice president, said AMC had already tapped all its available capital sources such as suppliers, banks, dealers, salaried workers and Renault. He said both Renault and the banks wanted to know what the hourly workers were willing to do to keep AMC afloat before they dished out any more money.

Without Renault's help, AMC would have been forced to continue selling its "old" cars in the market and, according to Majerus, it would be only a matter of time before the cars would stop selling.

"The old cars can't pay the rent," he said, "but this (the Renault-AMC agreement) will let them pay the rent with the old cars and make some profits with the new ones. They are planning to build 600 a day by September."

Meanwhile, the new contract between AMC and the UAW has been ratified and the company will use the employe investment money. Of that money, $350 million comes from Renault, $150 million from hourly and salaried workers, $250 million from bank credit and $150 million from internal sources.

Under the plan, workers invest six cost-of-living-adjustments (COLA) and all of the 3 percent annual improvement factor (AIF) increases due during the term of the contract. There are two contracts at AMC, one covering the Jeep workers which expires Jan. 31, 1985, and another covering workers in Kenosha which expires Sept. 16, 1985.

Under both contracts, all six COLA raises will be restored to the paychecks on Dec. 3, 1984. Regular COLA payments resume in September, 1983. All but one AIF will be restored to checks on Jan. 7, 1985.

"The bottom line is that this is a better arrangement than anybody else's (Ford or General Motors)," Majerus said. "We get total restoration of all invested benefits and full recovery of most. Also, the company gets to use the money longer.

"The company gets a leg up on GM and Ford in terms of available money during the life of the agreement and the workers get a leg up after the expiration. It's kind of a trade-off and should work well for both AMC and the workers."

At AMC, the company uses the workers' COLA investment for 18 months. At Ford and GM, where "concessions" were also required, COLA payments are restored after nine months. However, the COLA increases deferred for those nine months are not repaid until late 1983.

Workers at the Big Two also lose all AIF increases for the length of the agreements which expire in September, 1984. There is no restoration of the AIF at the end of the agreement.

Ford and GM workers also lose all their paid personal holidays — there were 26 negotiated in the 1979 agreement. Workers at AMC have a certain number of their paid days off "banked" but then restored in 1985. Since Ford and GM workers have given up the PPH days, many observers say it will be difficult to get them back when talks begin again in 1984.

"They (GM and Ford) have to bargain for it and we have it in the bag," Majerus said. "Our settlement got us total restoration and recovery of all but one AIF. It's a bird in the hand versus having to start bargaining from here and trying to move up. Ford and GM will start at a level below us and go up from there."

• According to Majerus, the last AIF increase was not recovered because "we didn't want to get that far ahead (of Ford and GM)."

It is possible that by the end of the current agreement, AMC workers could be higher paid than those at Ford and GM. That contract is rear loaded so the workers get a big jump in pay at the end of the agreement.

An assembler at AMC currently makes $11.44 an hour, including COLA. Assemblers make $11.67 at Ford and $11.76 at GM. Assuming an 7.5-percent inflation rate, assemblers at GM will make $13.63 at the end of the agreement, and the Ford assemblers will earn $13.66.

In January, 1985, when banked COLA and AIF are restored, an AMC assembler will make around $14.17 an hour, assuming the same inflation rate.

However, Ford and GM will have negotiated a new contract before the AMC pact expires and COLA will more than likely continue and some AIF increase will be negotiated. That could bring GM and Ford closer to the AMC hourly figure.

AMC also has the advantage of negotiating a new contract after Ford and GM are finished.

"When 1984 comes, we will be able to make some judgments that the others won't be able to make because of the length of their contracts," Majerus said. "We go until 1985 at both locations. We deliberately put those contracts behind Ford and GM because we obviously have to be aware of what's happening at those two companies."

The AMC agreement also includes a pledge from the company not to close any of its three U. S. plants (Kenosha, Toledo or Milwaukee) for the length of the agreement. At Ford and GM, the company promised a 24-month moratorium on plant closings for outsourcing-related reasons.

Four-wheel-drive winner

Driver John Buffum put his four-wheel-drive Audi Quattro through its paces at the Northern Lights Rally in Houghton Lake, Mich. After 300 miles of dusty forestry roads, Buffum finished first, 6½ minutes ahead of the second-place car in the all-night rally. The Quattro used Goodrich radial mud-terrain T/A tires in a new size intended for mini trucks.

Price increases for 1973-82: Corolla, 148 pct.; Malibu, 139

ROCHESTER, Wis. — In the past 10 years, the price of a popular imported car has increased more than the price of an equally popular domestic auto on a percentage basis, according to a study by Runzheimer & Co., international management consultants specializing in travel and living costs.

The study compared price increases for a Toyota Corolla and a Chevrolet Malibu Classic.

It found that the Corolla has gone up 148 percent from 1973 to 1982 while the Malibu has risen 139 percent.

Both cars were equipped with standard engines (a four for the Corolla and a six for the Malibu), automatic transmission, power brakes, radio, air conditioning and tinted glass. The Malibu had power steering which is not offered on the Corolla.

Runzheimer found that a '73 Toyota Corolla so equipped was $2,839 and an '82 is $7,038. The dollar increase was $4,199. The Malibu rose from $3,773 to $9,011 during the period, an increase of $5,238.

On a percentage basis, the biggest Corolla hike was 21.8 percent between 1974 and 1975. For the Malibu, it was 15.2 percent between 1980 and 1981.

From a dollar standpoint, Corolla's biggest jump was $900 between 1980 and 1981. For Malibu, it was $1,107 in the same period.

The Corolla had a bigger percentage increase in 1975, 1978, 1979 and 1980. The Malibu boost was larger in 1974, 1976, 1977 and 1982. For 1981, they tied with 15.2-percent increases.

The accompanying table shows the year-to-year figures for the Runzheimer study.

CAR PRICE COMPARISON, 1973-1982

Based on Toyota Corolla and Chevrolet Malibu Classic

Year	Import Car Price	% Increase Year to Year	Domestic Car Price	% Increase Year to Year
1973	$2,839	—	$3,773	—
1974	3,029	6.7	4,142	9.8
1975	3,689	21.8	4,552	9.9
1976	3,918	6.2	4,985	9.5
1977	4,136	5.6	5,327	6.9
1978	4,619	11.6	5,840	9.6
1979	5,315	15.1	6,506	11.4
1980	5,938	11.7	7,256	11.5
1981	6,838	15.2	8,363	15.2
1982	7,038	2.9	9,011	7.7

Source: Runzheimer & Co.

DRI forecasts gloomy '82

A tough year for European trucks

This year will be the most difficult yet in the current recession for the European commercial vehicle industry, warns a new report from DRI Europe Ltd.

The booming export markets for heavy trucks, which have compensated for slow European demand, will weaken sharply as the oil earnings of key customer countries are squeezed.

European sales will remain very near 1981's depressed levels, and softening demand from African and Middle East customers will push exports down.

Total truck production is not expected to vary much from last year, and in some sectors will fall.

All this will result in a further setback to the profitability of the industry. It will place considerable pressure on those manufacturers struggling to maintain a place in the industry, and further restructuring of the European scene can be expected this year.

On a European-wide basis, DRI does not see any real growth this year. It identifies no real recovery of domestic economies until very late in the year. Real interest rates, despite the downward trend, will continue to remain high.

However, through 1983 and 1984 replacement demand will provide a powerful stimulus to registrations. This pent-up demand should be realized as interest rates fall more permanently and as the European domestic economies again stir into life.

The report believes that by 1987 about 50 percent of European truck production will be for export beyond Europe.

"The U. S. market will assume greater importance as Daimler-Benz, Volvo and Renault Industrial Vehicles build up their presence," says DRI.

It adds, "In the longer term the high degree of export orientation may prove a problem for the industry as importers seek higher proportions of local content and eventual local production of trucks."

The market for light commercial vehicles (up to 3.5 tons) is expected to resume its recent growth from next year. But, DRI predicts, European manufacturers will have to share the renewed market growth with Japanese importers, who have been outstandingly successful recently.

Bavarian Village opens

EAST DETROIT, Mich. — Bavarian Motor Village, Ltd. (BMW), has opened new facilities here.

European commercial vehicle demand

	1980	1981	1982	1987
Up to 3.5t	860	829	771	862
Over 3.5t	260	215	219	257
Total	1,120	1,044	990	1,119

(X 000. Includes registrations in Belgium, Holland, France, Italy, Spain, Sweden, UK and West Germany.)

European commercial vehicle production

	1980	1981	1982	1987
Over 3.5t	404	346	349	419
Total (incl. vans)	1,476	1,231	1,251	1,336

(X 000. Includes production in France, Italy, Holland, UK and West Germany.)

Source: DRI Europe

Mitsubishi denies any talks of venture with Peugeot

TOKYO. — Mitsubishi Motors Corp. has flatly denied a report in a Japanese newspaper that it is talking with Peugeot of France about a joint venture.

MMC does admit that Peugeot Chairman Raymond Parayre visited the MMC factory at Okazaki, in central Japan in May. Parayre also met Tomio Kubo, MMC chairman. However, the MMC spokesman said the meeting had been "purely formal," and that no joint ventures had been discussed.

The newspaper suggested that Peugeot wanted MMC to build cars in a joint venture in France. This does not seem too likely, since the Peugeot group has too many models, not too few, and most of these compete directly with MMC products. The possible exceptions are the Mitsubishi Starion and Cordia coupes.

Some months ago, news leaked out that MMC was looking for a partner in Europe to overcome the problems of trade friction in the UK, France and Italy.

As a latecomer to the British market, MMC is particularly badly hit by the "gentlemen's agreement" which was based on sales volume when this agreement started six years ago — just when MMC cars were starting to be sold in the UK.

MMC's British distributor, Colt Cars, had been keen to build Mitsubishi trucks in UK to serve the whole of Europe, but this plan never materialized.

3-month car production 22 pct. below 1981 total

2nd-quarter output lowest since '61

By Patricia Hoffman
Staff Writer

Domestic auto production in June was far below that of the 1981 month, and the second-quarter total was the lowest for the period in 11 years.

In June, the manufacturers completed 568,332 cars, down 20.24 percent from 712,524 built in the same month last year. On the plus side, last month's total was higher than May's.

Production for the second quarter was 1,574,259 units, down 22.53 percent from 2,032,219 in the same period last year. It was the lowest output for the quarter since 1,550,195 units were produced in 1961, but was up slightly from the first quarter of this year.

During the first half of 1982, the auto makers completed 2,661,259 units, down 26.03 percent from 3,597,750 built the first six months of last year.

On a percentage basis, American Motors suffered the largest decline in output last month, dropping 68.56 percent to 4,556 cars from 14,492 in June of 1981.

Chrysler Corp. followed with 57,062 units, down 31.89 percent from 83,784 last year.

Breakdown for June by the other companies was: Volkswagen of America, 9,333, down 24.51 percent from 12,383; General Motors, 361,956, down 19.89 percent from 451,851, and Ford Motor, 134,985, down 9.97 percent from 149,930.

The only gain last month was at tiny Checker Motors with 440 units, compared with 104 in the comparable period last year.

The shortened holiday week and downtime at all Ford facilities and VWoA's Westmoreland point pulled last week's estimated car production down 26.56 percent to 89,292 units from 121,578 in the previous week. Output also dropped 22.69 percent from 115,502 units completed during five days of assembly in the comparable 1981 week.

So far this year, the makers have assembled 2,798,532 cars, down 26.0 percent from 3,783,852 at this time last year.

A two-week vacation began last week at all 10 of Ford's car assembly points. Production is slated to resume at most of the plants July 19.

VWoA's Westmoreland facility was idled June 28 for model changeover. Operations at the plant are scheduled to resume in September.

The final Checker taxicab was built at the company's Kalamazoo (Mich.) plant last Friday (July 9), ending 60 years of production at the plant.

Saturday overtime was scheduled last week at GM's Doraville, Fairfax, Flint (LeSabre-Electra) and Lansing (Oldsmobile) facilities.

Car production in Canada shows 2nd-quarter advance

Canadian auto production in June jumped 5.0 percent from the comparable 1981 month, bringing the total for the second quarter up slightly from last year's period.

The makers built 106,508 cars in June, up from 101,432 built the same month last year. It was the highest output for any month since June, 1978, when 117,848 units were completed.

Output for the second quarter reached 281,590 units, up a fraction from 280,999 built the second three months in 1981. It was the most for second quarter since 328,270 in 1978, and the highest output for any quarter since the first three months of 1979 when 294,832 units were produced.

During the first half of 1982, the auto makers assembled 486,729 units, a 4.52 percent gain from 465,692 built the first six months last year.

The truck manufacturers finished 63,035 units in June, down 11.13 percent from 70,932 last year.

For second quarter, the makers produced only 166,982 trucks, down 15.68 percent from 198,035 last year.

There were 288,121 trucks produced during the first half of the year, down 24.33 percent from 380,764 in the 1981 period.

The auto makers finished 12,501 units last week, up from 12,380 built in previous holiday weeks. Vacation downtime at two Ford Motor facilities and American Motors' Brampton plant cut last week's total. Output was about the same as the 12,526 figure in the comparable 1981 week.

So far this year, the auto manufacturers have assembled 492,824 units, a slight gain from 489,190 in the same period last year.

Truck production last week totaled 6,732 units, down 4.21 percent from the previous week's 7,028, due to vacation downtime at Ford's Oakville facility. The total was also down 23.41 percent from 8,790 trucks in the comparable 1981 week.

Year-to-date, the truck makers have completed 290,559 units, a 6.26 percent decline from 309,971 in the comparable 1981 period.

Ford's Oakville car point began a three-week vacation shutdown last week. Operations are slated to resume July 26.

Also at Ford, the St. Thomas car point went down June 28 for a four-week vacation. The plant is scheduled to return July 26, but will be idled again starting Aug. 9.

AMC's Brampton facility, idled last week for vacation, is expected to return with two-shift operations July 19. The resumption of the second shift will increase output from 122 units a day to 244 units a day.

Chrysler's Windsor car point will close Friday (July 16) for a two-week vacation. The plant is scheduled to return Aug. 2 with production of 1983 models.

Truck production climbs for June and 2nd quarter

The domestic truck makers may have finally found the road to recovery as the June and second quarter production totals jumped substantially from the comparable 1981 figures. Output reached the highest points since 1979.

Last month, the makers assembled 213,209 trucks, up 14.10 percent from 186,857 in June of 1981. It was the most for that month since 292,897 units in 1979, and the most for any month since October, 1979, when 227,853 trucks were produced.

For the second quarter, the truck manufacturers completed 589,031 units, a 16.17 percent gain from 507,028 built in 1981. It was the most for any quarter since the second quarter of 1979 when 887,948 units were built.

During the first half of 1982, the makers produced 1,040,437 trucks, up 8.59 percent from 958,168 trucks built during the first six months last year.

Due to the shortened holiday week plus vacation and changeover schedules at all Ford Motor facilities, Volkswagen of America's Westmoreland plant and International Harvester's Ft. Wayne and Springfield points, the truck makers scheduled only 24,836 units last week, down 46.97 percent from the previous week's 46,834, but up 9.71 percent from 22,637 units built in the comparable 1981 week.

So far this year, the makers have assembled 1,083,803 trucks, a 10.14 percent gain from 973,865 trucks completed this time last year.

All the Ford truck facilities were idle last week, starting a two-week vacation.

Saturday overtime was scheduled last week at General Motors' Lordstown (van) and St. Louis (pickup) facilities.

Chrysler Corp.'s Warren truck plant continued on daily overtime schedules last week.

GM's Pontiac (S-truck) facility will be idle for two weeks starting today (July 12) to adjust inventory. Approximately 600 workers will be put on indefinite layoff.

U. S. CAR PRODUCTION

	Week Ended July 10, 1982	Week Ended July 11, 1981	Week Ended July 3, 1982	June Total	Jan. 1 to July 11, 1981	Jan. 1 to July 10, 1982
AMERICAN MOTORS	1,620*	3,200*	1,600*	4,556	62,254*	30,719*
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	12,700	17,220	15,640	57,062	461,012	328,966
Plymouth Total	5,800	9,347	5,930	20,798	239,277	135,015
Horizon	1,900	3,438	2,223	7,947	89,696	42,180
Reliant	3,900	5,909	3,707	12,851	139,994	92,835
Caravelle	.....	.....	.....	.....	2,139	.....
Gran Fury	.....	.....	.....	.....	7,448	.....
Chrysler Total	3,000	.....	.....	12,868	22,098	65,474
LeBaron	3,000	.....	3,435	12,868	17,236	65,474
Chrysler	.....	.....	.....	.....	4,862	.....
Dodge Total	3,900	7,873	6,275	23,396	199,637	128,477
Omni	1,700	4,223	2,457	8,000	73,062	39,884
Aries	1,700	3,650	2,882	11,423	110,249	69,732
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	500	.....	936	3,973	.....	18,861
St. Regis	.....	.....	.....	.....	3,682	.....
FORD MOTOR	.....	.....	19,425	134,985	780,432	612,210
Ford Division	.....	.....	11,538	86,215	532,228	390,580
Escort	.....	.....	.....	27,314	199,262	155,973
Fairmont	.....	.....	3,621	17,226	114,502	69,193
Must./Must. II	.....	.....	3,670	16,611	93,133	72,685
Granada	.....	.....	4,247	18,963	46,260	66,862
Thunderbird	.....	.....	.....	5,299	38,185	21,709
Ford	.....	.....	.....	.....	40,886	.....
EXP	.....	.....	.....	802	.....	4,158
L-M Division	.....	.....	7,887	.....	248,204	221,630
Mercury Total	.....	.....	5,922	39,339	211,907	169,545
Lynx	.....	.....	.....	9,216	69,526	47,123
Capri	.....	.....	1,214	4,836	32,819	18,203
Zephyr	.....	.....	1,083	6,275	35,298	22,775
Cougar	.....	.....	1,793	8,276	23,866	31,695
XR-7	.....	.....	.....	2,189	16,740	7,245
Mercury	.....	.....	1,832	8,353	33,658	41,590
LN7	.....	.....	.....	194	.....	914
Lincoln Total	.....	.....	1,965	9,431	36,297	52,085
Continental ('82)	.....	.....	392	1,885	.....	10,944
Lincoln	.....	.....	963	4,623	17,699	23,501
Mark VI	.....	.....	610	2,923	18,598	17,640
GENERAL MOTORS	74,872	91,432	84,813	361,956	2,379,497	1,775,158
Buick Division	18,636	16,516	19,405	81,045	515,720	414,424
Skylark	3,316	6,247	4,061	15,358	144,306	75,653
Skyhawk J	1,820	.....	2,457	4,254	.....	47,036
Century	3,723	961	3,462	15,041	86,741	71,720
Regal	4,800	4,549	4,665	22,356	157,334	107,515
Buick	4,161	3,473	3,705	19,186	93,690	91,283
Riviera	816	1,286	1,055	4,850	33,549	21,217
Cadillac Division	4,706	7,290	5,510	24,627	159,687	134,079
Cimarron	278	968	252	571	6,280	2,351
Seville	260	478	331	1,510	15,250	12,611
Eldorado	1,108	1,565	1,396	6,397	37,912	34,353
Cadillac	3,060	4,279	3,531	16,149	100,235	84,764
Chevrolet Division	22,884	36,544	27,270	116,705	871,661	555,894
Chevette	4,668	6,926	5,993	25,281	187,911	121,754
Cavalier	1,982	3,848	2,072	7,129	32,373	46,683
Celebrity	1,488	.....	1,862	6,406	.....	37,175
Camaro	4,263	3,082	4,839	22,757	84,058	121,003
Citation	4,036	8,409	5,134	22,358	208,956	97,435
Malibu	2,518	3,254	3,254	15,405	153,886	63,149
Monte Carlo	1,625	3,232	2,148	9,835	85,296	36,846
Chevrolet	1,824	4,839	1,375	4,868	102,472	16,087
Corvette	480	954	603	2,666	16,702	15,762
Oldsmobile Division	16,412	17,530	18,265	75,519	535,837	414,215
Omega	1,928	3,480	2,340	8,218	86,375	46,212
Firenza	1,652	.....	1,845	1,747	.....	32,828
Cutlass	4,800	7,411	4,878	21,278	265,596	105,124
Cutlass/Ciera	1,877	.....	2,270	12,441	.....	85,426
Oldsmobile	5,506	5,603	6,097	27,996	155,864	145,261
Toronado	649	1,036	835	3,839	27,962	19,364
Pontiac Division	12,234	13,552	14,353	64,060	296,592	256,546
Acadian†	100	449	20	1,116	13,065	6,705
J2000	1,364	2,424	1,749	7,454	26,821	22,323
T1000	1,184	2,211	1,545	6,866	41,803	19,571
Firebird	2,833	1,892	3,400	15,449	41,637	72,102
Phoenix	1,440	2,317	1,787	8,382	66,591	27,822
Grand Prix	1,780	2,335	1,867	8,933	60,436	43,291
Bonneville ('82)	1,901	.....	1,943	8,988	.....	43,437
A6000	1,632	.....	2,042	6,872	.....	21,295
LeMans	.....	1,568	.....	.....	37,561	.....
Pontiac	.....	356	.....	.....	8,658	.....
VOLKSWAGEN	.....	3,615	.....	9,333	99,439	49,316
CHECKER	100*	35*	100*	440	1,218*	2,163*
Total Cars, U. S.	89,292	115,502	121,578	568,332	3,783,852	2,798,532

CANADIAN CAR PRODUCTION

	Week Ended July 10, 1982	Week Ended July 11, 1981	Week Ended July 3, 1982	June Total	Jan. 1 to July 11, 1981	Jan. 1 to July 10, 1982
AMERICAN MOTORS	.....	671	444	2,677	18,096	14,192
CHRYSLER CORP.	3,440	2,008	2,026	17,466	24,931	91,969
FORD MOTOR	436	504	3,107	36,679	128,547	172,051
GENERAL MOTORS	8,400	9,118	6,578	48,696	311,809	208,795
VOLVO	225	225	225	990	5,807	5,817
Total Cars, Canada	12,501	12,526	12,360	106,508	489,190	492,824
N. American Cars	101,793	126,028	133,958	674,840	4,273,042	3,291,356
N. American Trucks	31,568	31,427	53,862	276,244	1,283,836	1,374,362
North American Cars and Trucks	133,361	159,455	187,820	951,084	5,556,878	4,665,718

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

TRUCK PRODUCTION IN U. S.†

	Week Ended July 10, 1982	Week Ended July 11, 1981	Week Ended July 3, 1982	June Total	Jan. 1 to July 11, 1981	Jan. 1 to July 10, 1982
CHEVROLET	13,480	11,041	15,713	74,616	316,651	375,332
DODGE	2,900	2,184	3,052	13,592	54,291	72,240
FORD	944	.....	18,888	82,544	347,407	386,161
GMC	4,862	4,476	5,723	26,571	107,804	138,604
INTERNATIONAL	.....	.....	806	5,089	36,522	27,222
VOLKSWAGEN	.....	946	.....	1,042	24,374	8,103
JEEP	1,600*	2,500*	1,600*	4,925	48,471*	43,911*
AM GENERAL	50*	90*	50*	230*	2,345*	1,230*
MISCELLANEOUS	1,000*	1,400*	1,000*	4,600*	34,000*	31,000*
Total Trucks, U. S.	24,836	22,637	46,834	213,209	973,865	1,083,803

CANADIAN TRUCK PRODUCTION

	Week Ended July 10, 1982	Week Ended July 11, 1981	Week Ended July 3, 1982	June Total	Jan. 1 July 11,	Jan. 1 July 10,
CHRYSLER CORP.	2,160	2,029	1,374	11,202	45,275	56,745
FORD MOTOR	762	636	2,490	16,795	90,421	77,569
GENERAL MOTORS	3,600	6,125	2,954	33,883	167,869	149,610
INTERNATIONAL	210	.....	210	1,155	6,406	6,635
Total Trucks, Canada	6,732	8,790	7,028	63,035	309,971	290,559
N. American Trucks	31,568	31,427	53,862	276,244	1,283,836	1,374,362

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

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Fast conversion

A sunnier Celica

Convertible Specialties, Gardena, Calif., says it can turn a Toyota Celica into a convertible for $2,500 in less than a week.

Import-car inventory climbs to 57 days; domestics to 78½

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars in the U. S. jumped during June, but not nearly as much as the domestic stockpile and the par achieved at the beginning of the month was shattered.

While import stocks moved closer to the ideal 60-day level, the domestic inventory jumped well beyond that.

The inventory of new imported cars totaled 438,113 July 1, a 57-day supply, compared with 399,030 a month earlier, a 52½-day supply. During June, however, the domestic inventory jumped from 1,212,727, a 52-day supply June 1 to 1,364,214, a 78½-day supply July 1.

The inventory of new imported pickup trucks totaled 175,262, a 154-day supply, up from 171,655 a month earlier, a 142-day stockpile.

The combined imported car and truck inventory totaled 613,375, a 70-day supply, compared with 570,685 on June 1, a 65-day supply.

The combined domestic and imported new-car inventory was a 72-day supply July 1.

Honda and Toyota continued to carry very lean inventories, but two German nameplates, Mercedes-Benz and Porsche, opened July with even lighter stocks.

The 26-day supply of Mercedes-Benz was the leanest among the imports and Porsche was not much stronger at 27 days. Honda had a thin 29-day supply, while Toyota opened July with a 31½-day stockpile.

The inventory of Japanese-built new cars in the U. S. totaled 292,293 July 1, up from 270,651 June 1. The July-opening stock was a 48-day supply, up from 44 days a month earlier.

Japanese nameplates and

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Attempt to promote passive belts gets slapped down

Why VWoA doesn't advertise safety—Free market vs. FTC

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — NHTSA Administrator Raymond Peck's substitution of the free-market principle for government edict in passive-restraint technology could be in for tough times if the experience of Volkswagen of America is any indication.

A year ago, the company developed a television advertisement to tout its innovative passive belt system. Shown several times in prime time, it depicts a Volkswagen Rabbit traveling down a test track and stopping suddenly.

Richard Peet, head of Citizens for Highway Safety, then explains how the VW passive belt had worked excellently to restrain the dummy driver. The ad closes with Peet walking over to a passive-belt-equipped Rabbit, opening the door and saying that he thinks the system works so well that he owns one himself.

All in all, it is a seemingly inoffensive advertisement, aimed at conveying to the consumer that this passive belt system works very well, is easy to use and that Volkswagen is the only one to have the innovative device (e.g., "Volkswagen does it again").

But the New York office of the Federal Trade Commission took exception to the commercial on the grounds that it might be "deceptive."

Specifically the FTC said: "Our primary concern is that the audio and visual message may have the capacity to deceive consumers into believing that the Rabbit provides excellent crash protection or has performed exceptionally well in safety tests when, in actuality, Volkswagen merely intended to tout the Rabbit for its automatic seat belts."

The FTC said the ad does not make clear "what part or aspect of the Rabbit is being tested and for what reasons the endorser is making his endorsement."

The FTC office said consumers might have trouble understanding the term "passive restraint system" and suggested VW use the terms "air bag" or "seat belt" when referring to a passive restraint system to explain it.

It also challenged Peet's qualifications to endorse the product because he is not an automotive engineer, and suggested VW disclose that.

Lastly, it wanted VW to remove the superimpose of "Washington, D. C." on the ad because it might be improperly construed that the federal government was involved in the test.

VW representatives argued to no avail that the ad was in no way deceptive. They dropped the ad in late 1981, but the FTC wouldn't let the matter go with that.

In an October, 1981, letter, the office advised VW that: "While (the commercial) Safety Belt may have been discontinued by virtue of it being a part of the 1981 advertising campaign, we are concerned that related or similar practices used in the "Safety Belt" ad of this year may recur in future Volkswagen advertising. Therefore, we trust that your company will implement safeguards to promote more accurate advertsing."

In more polite terms VW said "the * * * with that," and has not run an ad showing its passive belt system since. Nor does it plan to in the future.

Controversial venture appears to be in the cards

GM, Isuzu eye Europe truck bid

By Richard Feast
European Editor

LONDON. — General Motors is understood to be planning a major sales drive into the European commercial vehicle market this fall.

Official details are scarce, but it is believed to center around Bedford Division of its wholly owned Vauxhall Motors subsidiary in the United Kingdom and — more controversially—Isuzu of Japan.

Isuzu, in which GM holds a 34 percent share, is the one Japanese vehicle manufacturer with no real representation in Europe. A few of its small pickups are sold as Bedfords in some markets, but its presence is insignificant.

But the twin factors of declining demand in Japan and GM's rapidly developing World Truck and Bus Group make Isuzu's entry into Europe appear inevitable.

It is spurred by the fact that its Japanese counterparts have made enormous sales gains throughout Europe, and that apart from the UK there are few restrictions on shipments.

In the haphazard stampede to place sales restrictions on Japanese passenger car sales in national markets with domestic manufacturing interests to protect, the commercial vehicle aspect was largely overlooked.

It has led to large increases in sales of lightweight vans and pickups from Japan throughout the continent. Even in West Germany, with very strong domestic competition from Volkswagen and Daimler-Benz, Japan's share of the market has grown from 3.5 percent in 1980 to 10.2 percent in the first five months of this year.

By contrast, GM executives will admit that GM's commercial vehicle presence in Europe is very weak. Last year, Bedford's exports to Europe amounted to around 10,500.

This figure is an all-embracing one, ranging from Chevanne car-based vans to heavyweight TM trucks. The bulk comprised medium-weight Bedford CF panel vans and pickups.

This compares with total European demand for commercial vehicles last year of 1,044,000, according to DRI Europe, a subsidiary of Data Resources, Inc. Of this, 829,000 were vans, up to 3.5 tonnes.

DRI predicts a drop this year

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breaking news

Make it the Chrysler E Class

DETROIT. — Originally slated to be called the Gran LeBaron, Chrysler Corp.'s new front-wheel-drive upper-midsize entry for the 1983 model year instead will be named the Chrysler E Class. The Dodge version of the luxury four-door sedan will still be named the Dodge 600.

Renault for Renault on AMC board

SOUTHFIELD, Mich.—Pierre Tiberghien, executive vice president of Renault's Automobile Division in charge of technical and product development, has been elected to the American Motors board of directors. He replaces Rudolphe R. Lambert, who resigned from the AMC board and from Renault. Lambert was Renault's vice president for North American operations.

UAW strike fund reaches alltime high

DETROIT.—The UAW's strike fund will reach $450 million this month, an alltime high, according to UAW Secretary-Treasurer Raymond Majerus. It was $436 million in June. Majerus also said the interest earned on investments is keeping the UAW in the black. In 1981, the union earned an average of 14½ percent interest on investment, he said. The UAW has been plagued with economic problems because its cash flow is tied directly to the number of members working,

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